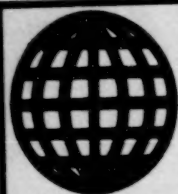


JPRS-EER-89-008
25 JANUARY 1989



FOREIGN
BROADCAST
INFORMATION
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JPRS Report

East Europe

East Europe

JPRS-EER-89-008

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CZECHOSLOVAKIA

Priest Describes Current Situation of Church *26000185 Warsaw LAD in Polish 11 Sep 88 p 3*

[Interview with Fr Josef Zverina from Prague by Jerzy Wysocki: "We Pay for Keeping Up the Faith"]

[Text] [LAD] Czechoslovakia is not homogeneous in terms of nationality. What effect does this have on the specificity of religion in Czechoslovakia, Slovakia, and Moravia?

[Fr Zverina] Obviously, certain differences do exist. They result from the different traditions of these peoples. The Slovaks lived under very strong oppression for 1,000 years. This caused Catholicism to become, so to say, fused to national tradition. Currently, tradition and faith continue to constitute a great moral strength for Slovaks. Here, in Czechoslovakia tradition is differentiated. After all, we have had the Hussite movement, and various currents from the West, South and North have made their way through here. For this reason, divisions continue to occur here until the present time. On the other hand, however, the Czechs are—if I may say so—more intellectually disposed also in terms of religion.

Despite these differences and, at times, disagreements, we complement each other. It would be unfortunate if two branches of the same religion were to become adversaries. We must, therefore, respect each other's specificity. The Czechs should not regard the Slovaks with an air of superiority, which they have a tendency of doing.

After all, the Slovaks constitute our support in religious faith. The degree to which religion is practiced in Slovakia is much greater [than in other parts of Czechoslovakia].

We must become aware of the fact that we are in the same boat. We are treated the same and this unites more than anything else.

However, as far as Moravia is concerned, it is as if in the center, not only in a geographic sense. Therefore, it can form an element that unites both these traditions and it seems to me that it is successful in doing just that.

[LAD] However, the phenomenon of secularization affects all of Czechoslovakia. To what extent is it the result of general trends in European culture and to what extent the effect of atheization?

[Fr Zverina] In my opinion, the second element is the deciding factor. Atheization has had and continues to have a very broad scope. This is because it is inspired and controlled by the state. This is state atheism arising from official materialistic ideology. However, despite atheization and the difficult situation in which the

Church finds itself, Catholicism has been growing in our country recently as never before. In my opinion, this is because we have to pay a heavy price for keeping up our religious faith.

[LAD] Where do the main difficulties of the church in Czechoslovakia lie?

[Fr Zverina] We have many difficulties, actually, only difficulties. Our main concern is the fact that we do not have bishops or a Conference of Bishops. It is strange that in Austria, Switzerland and Holland, there is opposition toward bishops appointed by Rome whereas we have been trying unsuccessfully to get such bishops. Therefore, the situation is highly irrational.

Our second concern is the situation in seminaries. There are only two: in Bratislava and in Litomierzycze whereas the number of places available is strictly limited by the authorities. In order to be accepted, one must pass an examination before a qualifying commission that includes a representative of the office for religious affairs. Therefore, it is obvious where the priorities lie. The studies themselves also leave a lot to be desired. The professors who, of course, have to be approved by the authorities, frequently do not represent a proper academic level. However, this is through no fault of their own but because of the lack of opportunity to raise their qualifications for there is no theological college in Czechoslovakia whereas studies abroad are practically impossible. In addition to all this, there is a lack of professional, contemporary philosophical and theological reference material. Therefore, I have been persuading seminarians to study Polish. This is not so difficult and, at the same time creates enormous possibilities of access to publications that we lack. In any case, there are many other problems. Among the proposals made to the authorities, there is the proposal of reactivating the theological department in Olomunec, the possibility of introducing a permanent diaconate, the reopening of monasteries and convents, the creation of Catholic organizations for the laity, freedom of religious education, the possibility of organizing retreats and pilgrimages, the building of new churches, and the vindication of priests and the laity who had been illegally sentenced during the Stalinist and post-Stalinist period.

[LAD] Despite these difficulties experienced by the church, we can, nonetheless, observe an activation of religious life.

[Fr Zverina] It is difficult to presume that this was caused by the increase in the evangelistic activity of the hierarchic Church. As I have already said, our possibilities of exerting influence are very limited. Here, it is the work not so much of the Church as of the Holy Spirit.

[LAD] Wlehrad was, I should think, such a turning point.

[Fr Zverina] I think so. The power of the people manifested itself there for the first time in 1985 when during the ceremonies marking the 1,100th anniversary of the death of St Methodius, many thousand of the faithful attested to the vitality of the church in Czechoslovakia in the presence of the papal delegate, Cardinal Casaroli, and expressed their unity with the Holy Father. Later, mass pilgrimages set off for the Sanctuary of the Virgin Mary in Levocze. [Censored material] (Law of 31 July 1981 regarding the control of publications and public events, Article 2, paragraph 3 (DZIENNIK USTAW No 20, item 99, amended [zm.] in 1983 in DZIENNIK USTAW No 44, item 204)).

One can see, therefore, that the church has revived. Never before have we had such activity among the laity.

[LAD] How would you assess the effect of John Paul II's pontificate on the church in Czechoslovakia?

[Fr Zverina] This is a very complex problem. Anti-Rome and antipapal sentiment prevailed for a long time in Czechoslovakia. This was caused by strong Hussite influence and also by the fact that until World War I, a German hierarchy existed here. This was a foreign element in the body of the nation that intensified animosity toward Rome. During John Paul II's pontificate, this unfavorable attitude toward the Apostolic See is waning whereas the Holy Father is enjoying high regard and great respect in our country. This is the result of the Vatican's new Eastern policy and that of the personality of the Pope himself and his program of: "Do not be afraid..." We are constantly waiting for his visit to Czechoslovakia.

[LAD] Can the future of the Catholic Church in Czechoslovakia be looked upon with hope and if so, what is this hope tied to, in your opinion?

[Fr Zverina] A Christian always looks with hope upon the future. However, I realize that this is not a question of eschatological assessment. Thus, our worldly hope is the young generation. Young people are surrounded by an emptiness; they cannot find a meaning to life in what has been proposed to them. Therefore, they begin to search. At times, unfortunately, they turn to drugs; other times they look to eastern religions. However, many find the meaning to life in the Catholic faith. This is all the more important that this choice is made consciously and voluntarily. (...)

[LAD] Thank you for the discussion.

HUNGARY

Draft of Bill Amending Electoral Law Debated
25000050a Budapest NEPSZABADSAG in Hungarian
28 Oct 88 p 3

[Text] The PPF Budapest Presidium's Information and Propaganda Working Committee met on Thursday [24 Nov 88] to discuss the draft of a bill amending the Electoral Law.

The participants in the discussion spoke highly of the flexibility with which policy has drawn the lessons from the changes taking place in society's life since the new Electoral Law's enactment barely five years ago, and is now providing an opportunity to incorporate these changes in the text of the Electoral Law as well. The committee also commended the drafters of the bill who learned from past experience and have made the bill's full text public in due time.

The task that the members of the working committee undertook was no less than a thorough review, practically section by section, of the bill's 14 chapters.

The first difference of opinion arose over the national list. Some members of the committee felt that abolition of the national list ought to be considered, because its retention could not be reconciled with the principle of direct democracy and the enhanced importance of elective office these days. Thus anyone who joined the "team" through the electorate's indirectly expressed will, rather than through the confidence of his constituents, would find himself in a somewhat awkward situation. Whereas there was reason to assume that most of these personalities would have no trouble winning seats also in a direct contest. In the opinion of other committee members speaking on the same subject, however, there was indeed a need for this institution, because our national interests—and occasionally also our international interests—demanded that these personalities be there in Parliament when important decisions affecting the citizens were being made. In this context the objection was also raised that it was entirely unwarranted to increase the number of candidates on the national list, at the expense of the deputies from the districts. Namely, the amendment proposes to increase the number of deputies on the national list to 50 as of 1990, as opposed to 30 at present.

The members of the committee made clear their viewpoint that the proportion of deputies elected on the national list must not exceed 10 percent of the number of election districts at the given time. Their proposal also placed on record their objection to allowing on the national list only candidates nominated by PPF-affiliated organs, organizations and bodies.

Lively debate unfolded also on the issue of holding council elections at the same time as the elections to the National Assembly. In the end the committee came to the conclusion that it would perhaps be better not to hold national and local elections simultaneously. More attention could then be devoted to electing council members, and this would also enhance the importance of their office. In conjunction with the election of council members, of course, the question was also raised as to whether the council chairman had to be a council member. The views on this question, too, were divided. However, the majority felt that suitability for office ought to be the only principal consideration. In other words, the voters of every election district ought to be able to nominate a

candidate for the post of council chairman. It did not matter that this could result in several dozen candidates' competing for the post. Then at least there would be a race for a real prize.

CC Changes Party Statutes To Accept Multiparty System

25000074 Budapest PARTELET in Hungarian
No 12, 1988 pp 3-12

[Text of "Resolution Concerning the Order of Work, and the Work Methods of the CC and of the Political Committee, and the Tasks of the CC Apparatus and Working Committees" passed by the CC on 22 November 1988]

[Text] As established by the 13th Congress and by the national party conference, the Central Committee [CC] concentrates its activities on the development and protection of socialist social conditions, the strengthening of [the] legality [of governmental actions], the construction of the constitutional state, the designation of economic policy directions, the influencing of the intellectual and ideological life of society, the improvement of the moral conditions in society, the formulation of our foreign policy principles and goals, and of the basic principles of the development of international relations, as well as on the appropriate and efficient [and/or effective] functioning of party organs and organizations.

In developing political goals the central leading organs rely on the opinions and recommendations of party organs and organizations, of communist groups, and of party members and persons outside of the party. In rendering decisions and in the course of implementing decisions, the central leading organs use as their basis the self inspired activities, independence and responsibility of organs and organizations.

In preparing its decisions, the CC examines and harmonizes various interests, and utilizes scientific knowledge ["results"]. The CC weighs the given conditions and the conditions needed for implementation, as well as the expected social and political effects of the positions it takes. In the framework of their analyses and decisions, the party's leading bodies take into consideration the views and recommendations of state and societal organizations, of organs representing interests, and of public forums. The party's leading bodies will regard the full enforcement of the decision making authority and the related responsibility of popular representative organs, societal organizations, and of field and work place party organs as fundamental.

Between two congresses or between two party conferences the CC is responsible for the direction and control of the party's work, and only the CC may resolve matters concerning the party membership as a whole. The chief task of the Politburo is the preparation of decisions and the organization of the implementation of decisions. The Politburo renders decisions between two CC sessions

regarding matters which cannot be delayed. The working committees, working groups and the advisory body of the CC participate in the revelation of findings and conclusions, and the development of alternatives and recommendations which may be useful in the course of decision making and of implementing the decisions.

In the course of modernizing its work, the CC shall give careful consideration to the enforcement of the party's political character and its characteristic of a movement, to the moderation of the party's decisional role, and paralleling this, to the strengthening of the party's influence. In its activities the CC shall concentrate primarily on establishing the political and strategic policy guideline, and shall direct the party's organs and organizations. By using ideological political means, the CC shall convincingly convey the party's policy to other organizations of society through communists and communist groups working in popular representative and autonomous organs, in the economy, and in societal organizations and movements.

The CC shall respect the exclusive legislative authority of the National Assembly, as well as the independence and responsibility of the Council of Ministers in regards to governance. The CC supports the activities of the cabinet. The CC discontinues the direct guidance [direction] of governmental activities—including foreign and interior affairs, and defense—as well as parallels between the functioning of the party on the one hand, and state organizations, on the other.

Building on the foundation of the autonomy of societal organizations and movements, and on the development of independent political profiles and activities by such organizations and movements, the CC expects that by revealing and representing the interests of their respective constituencies, these organizations and movements will contribute to policy formulation. The central bodies of the party view the mutual conciliatory discussions and forums conducted by and between interest representative organs, employers and the government as the primary arena in which interests are reconciled and protected.

All this means that the party makes its political influence prevail primarily through communists working in various societal organizations. It is the important task of the CC to establish and to operate communist groups in the National Assembly, in national societal organizations, and in mass organizations and mass movements.

I. CC Authority and the Main Tasks of CC Members and Officials

1. Between two congresses or national party conferences the CC is the MSZMP's highest political decision making, executive and control body. The CC decides or makes resolutions only with respect to issues related to party policy and to the internal life of the party. The representation and implementation of these resolutions

is mandatory from the standpoint of party organs, organizations and members. Relative to other organs within the political institutional system the CC makes recommendations and issues position statements. These serve as guidelines to working communists.

The CC

Renders decisions in regards to:

- fundamental political issues which serve the implementation of resolutions brought by the congress or by a party conference;
- political, organizational and personnel matters under its authority;
- the subject matters and the organization of party debates which involve the entire party membership;

Elects and relieves:

- the Politburo;
- the party's chairman and executive secretary, and the CC secretaries;
- the chairmen and members of the CC working committees and advisory bodies, and the chairmen of the working groups.

Appoints or relieves:

- the heads of CC divisions and institutions, and the editors in chief of central newspapers and periodicals.

The CC takes positions in regards to:

- the important foreign and domestic political issues of concern to society;
- the timely issues of party life, and in the essential context of intraparty debates;
- the evaluation and main developmental trends of the economic situation;
- the authorization of party disciplinary proceedings against CC members;
- the nomination, appointment and relief of persons performing functions within CC authorities listed.

2. Each CC member has identical rights and duties. Their terms are for periods between two congresses. Variations in term occur if a CC member is relieved of his duties, seeks his own relief, or resigns.

(a) CC members have a right to participate in the preparation of decisions, the presentation of concurring or dissenting opinions and recommendation advanced by individuals or groups, and in the substantive formulation and making of decisions.

(b) CC members have a right to make public interest announcements at CC sessions, which are not on the agenda of the CC session. After a decision has been rendered those in the minority must represent the CC resolution rendered or position taken, but they have a

right to again express their opposing views at CC sessions and to initiate new negotiations regarding such views. CC Members may also register their views or make recommendations directly to the PC. They may study the proposals, resolutions and documents advanced by the PC and by working committees, or the minutes of the sessions of any party body. They may direct questions and remarks to all party organs.

CC members—subject to prior conciliation by the CC or at their own initiative with the chairman having jurisdiction—may participate in the activities of the CC's permanent and ad hoc working committees. As authorized by the CC, members participate in the nurturing of the MSZMP's international relations.

(c) CC members bear individual political responsibility for their work performed in the framework of the CC. They are obligated to represent the positions of the CC, and to inform field party organs and the party membership of those positions. It is the fundamental duty of CC members to actively participate in the implementation of party resolutions, in the practical activities of the party, and in the workings of their own basic organizations. To the extent possible, CC members shall regularly participate in the membership meetings of party basic organizations, and at the meetings of field party organs.

(d) The working conditions for CC members are assured by the CC apparatus. The Office of the CC will provide CC members the background information related to subject matters on the agenda, documents concerning domestic and foreign political events and the events in party life, informational materials and a list of subjects which in a given period are on the agenda of the Budapest and county party committees, or party committees having the authority of county party committees.

3. The tasks of party and CC officials:

The party chairman represents the party in domestic and international relations. He chairs CC meetings, in a manner so as to alternate with the members of the presidium.

The executive secretary of the party represents the party, leads the workings of the PC, coordinates jointly with the CC secretaries the activities of the central party organs in various areas of social life ["society"], directs the workings of CC secretaries, and in cooperation with CC secretaries the workings of CC divisions and institutions.

The Secretaries of the CC—in their capacity as elected officials of the CC—participate in political representation, direct ongoing political work in areas designated by the CC, and oversee the workings of central organizational units and party institutions under their respective jurisdictions.

II. The CC Work Method

1. The CC regularly reviews the implementation of congressional and CC resolutions, social, economic and political processes, the issues pertaining to ideological life, and the party's activities. The CC periodically analyzes the international situation, and the evolution of relationships with Hungary ["with our homeland"] and the MSZMP inter-party relationships.

If societal importance so warrants, the CC renders its decisions on the basis of an organized party debate which includes the entire membership.

The CC will seek prior comments from party organizations regarding important recommendations. It will require the development of plans and methods of resolution which contain several alternatives. The CC will see to it that perceptions and views that deviate from the recommendations are reported.

The CC will make its decisions collectively, and in a democratic manner. Those who participate and implement the decisions bear personal, political responsibility [for those decisions].

2. The CC shall make new resolutions only if such resolutions are by all means warranted, regarding the same subject there can be only one valid resolution. Resolutions which have been implemented or which have become untimely shall continually lose force. The CC will see to it that practical findings, recommendations and initiatives are utilized, and will respect the independence of local organs. The CC shall continuously perfect the organization and work methods of its internal life. Regular control of the propriety of CC policy and resolutions is an important part of CC activities. The CC will utilize and publicize the experience gained from this control function, including the assignment of personal responsibility in each instance.

3. The CC

(a) in the course of sustaining the political, movement character of party work will:

- through CC members strengthen the CC's ties with party organs and party members;
- take into consideration the recommendations and views of party organs, organizations and of party members, build upon their initiatives, and continually respond to these;
- increase the strength of the spoken word and of convincing, and paralleling this, reduce the bureaucratic features of party work, fight superfluous administration as well as bureaucratic outlook;
- using the means of publicity stand up against conduct alien to socialist principles, against corruption, and against all forms of abuse of power. Initiate disciplinary proceedings against the culprits.

(b) In the course of its working relationships with popular representative organs, societal organizations, movements and associations:

- conveys and sustains its policies through working communists and communist groups. In the interest of this endeavor provides continual information to working communists and communist groups, and on a case by case basis delegates the representation of CC decisions and positions;

- requests and utilizes the remarks and recommendations made by organs organs and organizations;
- initiates and assists the practical enforcement of socialist pluralism;
- on an as needed basis receives report from the leaders of communist organs and from leaders of communist groups active in such organs.

4. The CC reports to the party membership annually concerning its activities. It informs the members of the party, state organs, the leading bodies of societal organizations and the country's population concerning CC activities and decisions, according to a separate resolution concerning this subject.

In the interest of providing more detailed information to the party membership, the CC publicizes its decisions, and—depending on the [subject of the] CC decision—the proposals, the statement of the proposer and the contents of the debate in the party press, in party periodicals and in the Basic Organization Reporter ([called the] Secretary's Report, at present). The CC ascertains the publication of information concerning the development of current work, alternative recommendations that emerged in the course of preparations, and the arguments supportive of decisions as well as their contexts and details.

5. In justified cases, based on a majority vote of its members the CC holds closed sessions. Public opinion will be informed concerning closed sessions pursuant to separate decisions reached about the release of information.

III. The Tasks and Work Methods of the Most Important CC Organs

1. The PC is the body which prepares the work for, and organizes the implementation of decisions reached by the CC. Its activities are directed and controlled by the CC, and the Politburo is held accountable by the CC. In the course of its work the Politburo utilizes principles of policy and methodology assigned by the CC to the Politburo.

Between two sessions of the CC, the Politburo is the party's leading organ. It decides and takes positions in regards to political, organizational and personnel issues within its authority.

The Politburo organizes and controls the implementation of CC resolutions. It continuously informs CC members concerning its workings and findings.

In the framework of preparing cases involving personnel to be presented to the CC, the Politburo consults with the members of the CC, and insofar as necessary, confers with party organs, party organizations, the leaders of mass organizations, public figures and scientists from outside of the party. The Politburo reports to the CC concerning experience gained from such consultations.

Based on a work plan, the Politburo generally holds its sessions on a biweekly basis, or as necessary. The meetings are chaired by the executive secretary of the party, or by a member of the Politburo, as authorized by the executive secretary. In addition to the members of the Politburo, persons invited by the Politburo participate at the meetings. The persons to be invited will be defined by the Politburo in its work plan, or, if necessary, on an ad hoc basis.

The Politburo will continuously inform the CC, the party membership and the country's population concerning its activities and decisions.

2. Working committees and working groups elected by the CC are consultative bodies, which deal with specific issues and with specialized contexts of politics and of party work. Generally, the members of working committees and of working groups may be party members; CC members too directly participate in the workings of such committees and groups. Such working committees and working groups assist the workings of the leading party organs by debating the assigned issues, by summarizing their findings, by making recommendations and by developing decisional alternatives. In the interest of accomplishing these tasks, working committees and working groups organize consultations and inform public opinion concerning their activities. Working committees and working groups have no decision making authority. As authorized by individual working committees or working groups, each committee or group may make direct recommendations to the CC.

The CC [hereby] terminates the presently functioning working committees and establishes the following permanent committees:

- International, Legal and Administrative Law Policy Committee. Chairman: the executive secretary of the party.
- Social policy committee. Chairman: CC secretary.
- Party policy committee. Chairman: CC secretary.
- Economic policy and sociopolitical committee. Chairman: CC secretary.

Along with the permanent committees the following working groups of the CC shall continue functioning:

- Economic Working Group
- Cultural Policy Working Group
- Cooperative Policy Working Group
- Science Policy Working Group.

For purposes of examining individual issues, of preparing proposals concerning such issues, and for controlling the implementation of resolutions the CC also establishes ad hoc committees composed of CC members. The heads of ad hoc committees present their committee's report directly to the CC. They involve in their work a broad array of experts from given areas as necessary, including persons outside of the party.

3. In the interest of enhancing its own work and of preparing its own decisions the CC operates an advisory body whose activities are regulated in separate provisions.

IV. The Main Tasks and the General Principles of the Organizational Structure of the CC Apparatus

The apparatuses of central and field party organs which were made independent perform their work as assigned by, and under the direction of party bodies at a given level [sic]. The apparatuses of higher party organs will not direct the lower party organs and their apparatuses.

1. As authorized by the CC, the CC apparatus performs its work with the support of party organizations, making use of the views, recommendations and findings of various societal organizations, and professional and scientific institutions. The CC apparatus' functions include:

- to assist the working of bodies in preparing for decision making, in decision making, in organizing implementation and in their control functions;
- to prepare CC proposals, personal recommendations and reports; to comment on submissions and recommendations made by external organs;
- to monitor the processes and indicators in political, social, State, economic, ideological and cultural life; to summarize and analyze findings; to develop recommendations and initiatives;
- to participate, as assigned, in the implementation of resolutions, in aiding and controlling the practice of party work, and to report on the findings that result from this work;
- the application of new forms of cooperation, indication and counter indication in field work relationships.

Members of the apparatus shall be dedicated party workers suitable to perform analytical work. They shall have proper practical experience in political work, shall possess an appropriate professional background in the field of their respective work assignments, as well as appropriate personality traits. It would be appropriate to lower the average age within the apparatus.

2. The CC will discontinue the present apparatus structure composed of eight divisions, and will organize the apparatus pursuant to functional needs presented by its work and tasks.

The working groups and divisions to be established will not represent rigid delineations of organizational units, but instead will be parts of the apparatus as a whole which cooperate continuously. Thus, in the framework of a flexible work organization the various organizational units will jointly serve and assist the workings of the central party bodies.

To accomplish this, great care must be taken in harmonizing the activities of divisions and work groups, and in organizing the continuous flow of general and specialized information and preparatory [materials] to the members of the apparatus.

The executive secretary directs the CC apparatus, and coordinates its work jointly with the secretaries. The executive secretary of the party, and the secretaries of the CC supervise the activities of CC divisions, in addition to performing their primary task. In the course of such supervisory activities the secretaries shall ensure that the policy guideline defined by party bodies prevails, while taking into consideration the independence and responsibility of division directors.

CC division directors will be appointed by the CC on the basis of recommendations received from the Politburo. Deputy division directors will be appointed by the Politburo. Political work associates will be appointed by the CC secretaries having supervisory authority. Specialists and administrators will be appointed by the division directors.

CC divisions and division directors will independently manage their allocated material and financial resources. They will independently hire social work associates receiving honorariums, as well as part time and temporary workers.

The CC will see to it that the moral and financial recognition of its apparatus is commensurate with the level of political work performed by the staff.

3. The organizational structure and main tasks of the CC apparatus:

(a) Work groups which function along with the party chairman, the executive secretary and the CC secretaries:

In the performance of their functions CC officials will utilize the services of work groups. Specialists within work groups are part of the CC apparatus, and perform their functions as deputy division directors. The chairman, the executive secretary and the CC secretary having jurisdiction has the right to appoint these officials.

The chairman of the party

- will be supported by a small political and administrative work group in the performance of his functions.

Reporting to the executive secretary of the party there will be established work groups dealing with:

- parliamentary, state and legal policy, and economic topics;
- international and security policy issues, and
- communist groups within the trade union national leadership bodies, the PPF National Council and the KISZ CC, as well as with the Workers Guard.

Alongside the CC secretaries

- an apparatus performing the political and administrative tasks related to their functional scope shall exist.

(b) CC divisions

The Office of the CC

Functions:

- to establish all conditions required for the workings of the CC and the PC (including the coordination of materials for these bodies, the provision of information for leading organs, the conveyance of materials, information and background material to these bodies, as well as establishing work conditions for the members of these central organs when these bodies are not in session, the use of the premises and technical facilities of the headquarters building, etc.);
- to manage the office of the spokesman, including the organization of informational meetings to be held by the party's spokesman; the establishment of the administrative and technical conditions for the work of the spokesman; participation in the editing of news releases and party publications concerning the meetings of the leading party organs;
- to conduct press relations related to the party chairman's and the executive secretary's domestic and international programs;
- to document and maintain files of decisions, resolutions and meeting minutes of the central bodies of the party;
- to archive the documents of the central bodies of the party; and
- to operate a political information data bank.

Social Policy Division

Functions:

- to cooperate along political lines with societal organizations, mass movements and associations, and with social strata [sic];
- to disseminate information and to conduct press relations, to keep informed the population, as well as domestic and international public opinion, to conduct agitation work;
- cultural policy;
- to perform ideological work (ideals, new trends at home and abroad; utilization of research findings by ideological and social science workshops, the ordering of research topics);
- nationalities policies.

Party Policy Division

Functions:

- to develop concepts related to the organizational

structure of the party, and the contents and methods of its functioning;

- to organize working relationships with the Budapest and county party committees, and with party committees having the authority of county party committees;
- to provide information to party organs, organizations and their members; to prepare and publish related materials;
- to organize party debates, to provide summary findings;
- to organize the participation of CC officials, members of the CC and the Politburo at functions, meetings and membership meetings of party organs and organizations;
- to handle statements which deal with the party and with party policy;
- to provide for cadre policy functions (the enforcement of principles related to cadre policies, the maintenance of the supply of cadres, the administration of the list which enumerates the authority of cadres and the cadres themselves);
- to provide for the development of the party and membership recruitment;
- to provide for membership administration.

Economic and Sociopolitical Division

Functions:

- to develop and prepare economic policy and economic management conceptions
- to analyze and to control the implementation of party resolutions pertaining to economic policy;
- to examine the effects of the enforcement of production and distribution policies;
- to monitor international economic relations and to prepare related recommendations;
- population, standard of living policies, ways of life;
- health and social policies;
- cooperative policies;
- environmental protection;
- development of the contents of information concerning economic policy.

International Party Relations Division

Functions:

- to maintain and organize interparty relations (with communist and workers parties, maintenance of relations with socialist parties and with parties in capitalist and third world countries);
- to organize information dissemination abroad concerning the party's international activities.

Administrative Division

Functions:

- to administer the assets, finances and the budget of

the party, to provide for planning and regulation;

- to coordinate, assist and control the management of party organs and party institutions in the field;
- to provide for financial, material and technical conditions necessary for the functioning of the CC apparatus, case handling, case administration;
- to manage the party's material and financial resources, the organization of enterprises and investments;
- to administer party membership dues;
- to oversee and to direct the party's recreational facilities and enterprises;
- to provide travel services;
- to operate technical, supply and production units.

The CC Agenda

1. The CC holds its sessions on the basis of a work program as necessary, but at least once every three months. These meetings will be chaired by CC officials chosen from among the permanently established presidium (the party chairman, the executive secretary, the CC secretaries and persons submitting [matters for consideration]).

It is the function of the presidium to assist the chairman in the course of his work of conducting debate, of calling for votes on proposed decisions, and in pronouncing the decisions. The Politburo will announce CC sessions 14 days in advance of such sessions, designate the place, time and the agenda of such meetings. Written materials concerning the CC meeting will be provided to CC members at least one week in advance of the meeting.

CC members may initiate the convening of extraordinary CC sessions. Such initiatives will be channeled through the Politburo. Special sessions of the CC must be convened if 25 percent of the CC members agree with the initiative.

2. Persons having consultative functions may be invited to CC sessions. Such persons shall be designated by the CC, upon recommendation by the Politburo, and shall be specified in the work plan and on a session by session basis.

3. In addition to the agenda items accepted in the framework of a work plan by the CC, any member of the CC may recommend the addition of agenda items. The CC will decide on the basis of a recorded vote whether the recommended agenda items should be placed on the agenda. Recommended agenda items must be placed on the agenda if 25 percent of the CC members agree to it. In the course of discussing timely issues, and in reports, submissions and verbal statements submitted or made to the CC, the CC must take positions in regards to issues which are conveyed by party members, and party organs and organizations, as well as by societal organizations and movements. In regards to the issues discussed the CC must be informed of views and endeavors which are contrary to party policy.

4. The CC determines the duration of its sessions.

5. Submissions and proposed resolutions will be debated until voting on such submissions and proposed resolutions begins. In the course of debate everyone may speak a number of times, and following the completion of a statement, anyone may question the proposer or commenter, or may briefly comment on the contents of the proposal. Cloture may be invoked by a majority vote of the CC members. Debate may be terminated by the chairman based on a recorded vote of the CC. A proposer is obligated to respond to recommendations made in the course of debate.

If necessary, the CC may conduct CC member debates on the same subject several times.

6. The CC makes resolutions on the basis of a simple majority vote. Two thirds of the CC membership present and voting constitutes a quorum. At the request of the any CC member proposer of a modifying amendment, such amendment must be decided upon by separate vote. The CC will first vote on the modifying amendment, and subsequently on the proposal as a whole.

7. The CC takes positions or decides upon the relief of persons who fill functions under its authority by a recorded majority vote. The relief of such persons shall be based on proposal made by the Politburo.

The election of the party chairman, the executive secretary, the CC secretaries and the members of the Politburo, in the event that such election is necessary for purposes of supplementing the CC, the CC will establish a nominating committee on the basis of a recorded vote. The Politburo makes recommendations concerning the designation of the chairman and members of the nominating committee. In the event that a new CC member is nominated, this task may be performed also by the Politburo. Based on the nominating committee's proposal, the CC decides on the basis of a secret ballot concerning the filling of functions.

In cases involving functions within the CC's appointing and recommending authority—based on proposals received from the Politburo—the CC will decide or take positions on the basis of a recorded majority vote.

The announcement of personnel changes will be made as part of the news release concerning the CC session.

8. CC members may propose that the CC render its decisions by secret ballot, rather than by recorded vote. The concurrence of a majority of the CC is necessary for the ordering of a secret ballot.

9. Proposals pertaining to the CC session agenda may be made at any time by any member of the CC. Such proposals must be voted on at the CC session. In regards to such matters the CC decides on the basis of a recorded majority vote.

Hungarian Jewish Cultural Association Formed
25000053c Budapest MAGYAR HIRLAP in Hungarian
21 Nov 88 p 7

[Text] The first membership card issued by the Hungarian Jewish Cultural Association bears the serial number 600,000-001. And the last three digits of the serial numbers on the subsequent membership cards run consecutively to about 500.

This numbering is symbolic, just as the observed one minute of silence was, to honor the hundreds of thousands of potential members the association lost. The numbering is symbolic because it indicates both the past and the future: what this newly formed association is undertaking to chart, explore, and disseminate. The letter which Imre Pozsgay, minister without portfolio, sent the association's first general meeting of members aptly points out that this objective is to everyone's advantage. Because the association, by wanting to foster and enrich the community's intellectual and moral values in complete identification with the community, is contributing toward the entire Hungarian nation's human liberation.

Let me quote also Miklos Meszoly, the writer: "We need to know as thoroughly as possible the values that cannot be circumvented in our interpersonal relations." We need therapy. But let us now revert to this reporter's own words. Therapy is indeed necessary. Because there still are incredibly many wartime fragmentation grenades, land mines, suppressed truths and lies. Hungary's Jewish population, the approximately 80,000 persons left, must learn to speak about themselves, to define themselves. In my opinion, it is not in the direction of nationality that this self-definition must shift. With or without literary quotations, several speakers called attention to the peculiarities of dual roots. For, as we were told, Yiddish was the target language of even the first translation of "Szozat" [the second Hungarian anthem], by a Jew during the reform period.

Responsibility and pluralism were perhaps the keywords of the speech by Rabbi Tamas Raj, a member of the presidium. This association, he felt, must participate by all means in the natural and historical substantiation of cultural values. We have already seen an indication of the association's pluralism: it is beginning its activity with 14 sections.

At this stage we can only hope for responsibility, i.e., that the association will do its work cleanly, honestly and dispassionately. To which we wish the association patience and wisdom, two values that can serve both religious and nonreligious Jews and non-Jews, as a guaranty of accomplishing a fine cultural mission.

POLAND

Poznan TU Official Denies Potential of Union Pluralism

260001 74 Poznan WPROST in Polish
No 40, 2 Oct 88 pp 4-6

[Interview with Wojciech Kaczmarek, chairman, Voivodship Alliance of Trade Unions (WPZZ) in Poznan, by Marek Zieleniewski: "The Pluralist Monopoly;" date and place not given]

[Text] [WPROST] The recent strikes were most often motivated by not only the broader economic factors but also factors specific to particular factories. This happened at the Cegielski Plant too. Why have not the [regime-sponsored] trade union organizations eliminated these factors earlier, and why have they let themselves be surprised by the unfolding of the events?

[Kaczmarek] I make bold to say that a majority of the trade union organizations associated in the Poznan WPZZ—which incidentally is the third largest WPZZ in this country—fulfilled their duties properly. For example, most of the demands made by the strikers at Cegielski had been formulated earlier by our trade unionists. The problem lay in that they had been considered and implemented at a snail's pace or purely and simply ignored. Thus the point rather was not the passivity of our trade unions but the indolence of the management.

[WPROST] The primary task of trade unions is to attend to the interests of workforces. And the workforces have the right to evaluate trade unions according to the results they get and not according to the efforts they make.

[Kaczmarek] Of course, from the vantage point of the present it can be concluded that the strike weapon should have been resorted to [by these regime-sponsored trade unions]. But then, bearing in mind the complicated and time-consuming procedure for declaring a legal strike—we would have to start acting lawlessly. We had wanted to avoid it, in the belief that they would see the light of reason.

[WPROST] Whom do you mean by "they"? The strikers?

[Kaczmarek] The politicians. We had hoped that they would finally stop moralizing and calculating the strike-caused losses and begin to understand that we all are sitting on a barrel of gunpowder and that things cannot continue in the old way.

[WPROST] Very well, but you again mention the subject of the relationship between the [regime-sponsored] trade unions and the authorities. Actually, however, a gap has formed between the trade unions and the workforces. The situation was paradoxical, to say the least: the strikes took place outside the control of the trade unions,

and the trade unions themselves took no part in the strikes and often opposed them, only in order to declare later—in official communiques—their "solidarity" with a majority of the demands.

[Kaczmarek] The contradiction ensued from, as I mentioned before, the fact that while we approved the rationales of the strikes, we could not approve their form. This was besides reflected in many comments by unionists, among others in the well-known Declaration of 20 August of the Executive Committee of the National Trade-Union Alliance [OPZZ].

[WPROST] Yes, precisely. The trade union organization at the Cegielski Plant finally took a formal position on the strikes only after that declaration had been issued. Once again the situation was paradoxical: On the one hand we were dealing with rather spectacular reactions from the national organizations and, on the other, with waffling by local trade unions.

[Kaczmarek] I would contest this in the sense that you are implying alienation between the OPZZ [national] and local trade unions. The OPZZ is not some coordinating and controlling body; it is a representative body reflecting the opinion of local trade union organizations. And that abovementioned declaration by the OPZZ Executive Committee was issued precisely owing to pressure from local trade unions. As to whether the factory trade unions themselves were insufficiently militant, that is a debatable question considering the complexity of the situation. It is highly likely, on the other hand, that at present, taught by recent experience, these trade unions will be more radical in their actions.

[WPROST] It is not unlikely, however, that their greater radicalism will confront a greatly changed situation. The shipyard worker Maciej Manicki declared at a recent session of the OPZZ Executive Committee, "Just how strong would the voices of those appealing for pluralism be if the trade unions possessed genuine credibility, unfeigned authority, and a commensurate standing—standing not only in the state, in the Sejm, and on the panels of various groupings but also in the society, among working people?"

[Kaczmarek] If Maciej Manicki exposed the weakness of the trade unions, this still doesn't mean that he considers the establishment of new unions [legalization of Solidarity] to be an effective antidote to the shortcomings of the present unions. Let us speak plainly here: this refers to the legalization of Solidarity. We are dealing here with explicitly political motives. Well, suppose that the new trade unions will be established after all. Then it is virtually certain that part of the workforces—20 to 30 percent of enterprise workforces—will never join either our or their trade unions. In such a situation, neither trade union will succeed in representing the majority of the workforce. Instead, once that new trade union is legally registered, we shall be dealing with an escalation of demands on its part as well as with—let's admit it—an

escalation of demands on our own part, because we would not want to appear less demanding in the eyes of the workforce. This means the commencement of animosities, divisions. Consider in this context the role of the plant manager who, willy-nilly, will have to act as an arbiter.

[WPROST] But it is not the problems of the factory manager that matter most here. Especially considering that in other countries factory managers somehow are coping. In the interview he granted to 'REPORTER' Lech Walesa referred to the West German model, under which a single factory council operates at every factory. Members of that council include representatives of different trade unions, in numbers proportional to their membership at the factory. "The point is," Walesa observes, "that in the event of disputes the factory manager can thus negotiate with a single body of trade union representatives, so that competing trade unions would not conspire against each other at the expense of the workforce. Thus two models have to be considered. First, there is that single organization in every factory and second, the different trade unions in a single factory jointly agree on the position to be taken before every meeting with the management."

[Kaczmarek] Lech Walesa refers to the West German model but I still have fresh in my memory the recent Polish model with the participation of autonomous branch trade unions and Solidarity. The theoretical premises of that model were nearly identical with those of the West German model, but in practice these models differed greatly. I claim that there is no guarantee that history will not repeat itself. On the other hand, there is no reason why those who view the present trade unions as incompetent or too passive should not join them and change them. The bylaws of the 27,000 existing trade union organizations allow anything, properly speaking: candidacy in elections to the leadership, vote of no confidence by dissatisfied groups, vote of secession by discontented members, etc.

[WPROST] Your arguments are highly persuasive, yet mentioning divisions, animosities, mutual escalation of demands, or fear of a "repetition of history" is received by the workforces as demagoguery. Might not it be simply that the present trade unions fear competition and complete loss of influence?

[Kaczmarek] We don't fear competition. What we want above all is a strong trade union movement. But two different trade unions in a single factory mean lack of concerted action and lower effectiveness of each union. Then, too, there is the possibility that they will be played against one another. Therefore, it is not some desire to hedge or waffle but pragmatism that accounts for our resolute opposition to the demands to legalize Solidarity.

[WPROST] The OPZZ's vote of no confidence in the government may be interpreted as an attempt to exploit the recent turmoil in order to enhance its own popularity. This is all the more needed considering that the

opposition to the present trade unions has been growing at enterprises. Then also there is the highly egalitarian—and still popular in our society—nature of some of the demands made by the present trade unions.

[Kaczmarek] Our vote of no confidence in the government was not some tactical ploy. The government's mistakes were obvious and the growing social discontent was justified. Moreover, it is the workers who have been affected most keenly by these mistakes. The trade unions had finally to react as they did. There can be no mention either of any promotion of egalitarianism. We are in favor of equal opportunity in amassing wealth but not under circumstances in which the social gap between employees of the socialized sector and private entrepreneurs is widening. What is more, we believe that the anticipated radical economic solutions will require a change in the mentality of many people. We shall do everything to promote that change. This is yet another argument in favor of a strong and cohesive trade union movement.

[WPROST] But let us again discuss pluralism. How many activists of the former Solidarity are present in the structures of the WPZZ? For example, how many former chairmen of Solidarity trade union organizations are holding equivalent offices in the WPZZ?

[Kaczmarek] To be honest, I know of no such instances, and probably they are not many. But there is no reason why former leaders of regional Solidarity should not join our structures. What is more, enterprise workforces remember well not only the mistakes but the undoubted accomplishments of Solidarity. Thus, of a certainty such individuals could count on considerable support. Besides, no one has been discouraging them from acting in our structures.

[WPROST] The discouraging factors may have been the circumstances under which the present trade unions were formed, such as their occasional imposition on the workforces, so to speak.

[Kaczmarek] Of course, the establishment of the present trade unions was of great interest to the party echelons, because the rebirth of the trade union movement was also in the nature of a political act. The principal reason, however, was the existence of a void that had to be filled, out of concern for the interests of the working people—and this is not sloganeering. Thus, to those to whom unionism mattered most, the plaque under which the trade unions were to be reborn was a secondary issue, especially considering that the reborn trade unions gained authentic and broad rights. In practice, moreover, as demonstrated in recent weeks, they have gone quite far—farther perhaps than Solidarity, though via a different road.

[WPROST] If I may insist, "pluralism consisting in diversity within the community"—to quote verbatim from the press—is no pluralism, and essentially the

[OPZZ] unionists are concerned for preserving their monopolistic status quo. For example, what else, other than the verbal appeal, "Join us and change us," is new in what the present trade unions have to offer to the intransigents?

[Kaczmarek] Above all, we must loosen the legal corset within which we operate. At all OPZZ forums—national, voivodship, and factory—demands have been made to revise the Decree on Trade Unions, and especially to amend its Chapter 5, which deals with disputes. Because a situation in which disputes between ministers of state and trade union federations take years to settle is intolerable. It also is intolerable when, in our desire not to violate the law, we are forced to look on impotently at outbreaks of protests that we basically support.

[WPROST] Earlier you mentioned that, in the event Solidarity is legalized, there is no guarantee that history will not repeat itself, as you put it. Well then, what guarantees are there that you will utilize the strike weapon properly if it becomes more readily accessible?

[Kaczmarek] Are not 6 years enough proof that we are not letting ourselves be governed by our emotions?

[WPROST] Do you think that the eventual amending of the Decree on Trade Unions will satisfy everyone?

[Kaczmarek] Certainly not everyone. Perhaps forming an association having the nature of the political opposition would be a solution. The activities of such an association could even play a very useful role in our system of society—provided that they are not linked to plants and factories.

[WPROST] You are placing great emphasis on the absence of such linkage.

[Kaczmarek] In my opinion, it cannot be otherwise. That is, unless enterprises are to become loci of permanent political confrontation. We at any rate are resolved to prevent this.

Changing Party Role in Economy Focuses on Worker Self-Government

26000198 Warsaw TRYBUNA LUDU in Polish
27 Oct 88 p 4

[Article by Stanislaw Jaskiewicz and Bogdan Stasiak:
"The Party and the Economy: The Same Yet Not the Same"]

[Text] The need to formulate a new concept of party work in the economy is particularly topical. It ensues chiefly from the need to accelerate reforms throughout the economy and in the system of management. This acceleration cannot be achieved solely by means of institutional solutions and economic policy; it also requires using political and social means.

On the other hand, the actual political condition of party organizations at enterprises does not warrant depriving them of a precise and valid concept of action and a clear program that would make it possible to utilize all resources and existing potential. The work recently undertaken by the Commission for Economic Policy, Economic Reform, and Worker Self-Government under the PZPR Central Committee represents a valuable initiative. Our present comments are intended to contribute to the discussion of this subject from the standpoint of the needs of economic policy, which is predicated on the party's support of all the domains of economic activity.

Exploring a New Formula

The starting point of reflections on party work in the basic elements of the economy has to be the place and the role assigned to the party by the consequences of the already applied reforms inspired by the party. This concerns chiefly strengthening worker self-government and making it a genuine coproprietor of the enterprise, strengthening the new nature of the trade unions, which are actually pursuing an independent policy of their own, and lastly new different guidelines concerning the staffing of managerial positions at enterprises. The party's actual situation at the factories is also influenced by the activities of political opposition groups at some of the factories.

All these changes impede an effective conduct of party work according to the old concept of the party as the relayer, interpreter, and watchdog of policy transmitted from "the top" to the enterprise. The heretofore classical functions of the factory party organization, especially those concerning the entire workforce, no longer correspond to reality and have become ineffective. Attempts to impose them result in isolating and hence also weakening the party organizations at the factories.

At many plants and factories the party aktiv are clearly aware of this contradiction and try to explore new formulas for action. This is impeded by the activities of party echelons which continue to operate on the top-to-bottom transmission-belt principle. In this connection, on the one hand the party's program documents refer to the need for the autonomy and flexibility of party organizations and, on the other, standard directives such as "Distance the party from the administration," "Support youth," "Support trade unions and worker self-government," etc., continue to be drafted and transmitted from on high. As policy directions they are valid, but when transplanted into detailed directives for the work of basic party organizations, in the absence of familiarity with conditions at particular enterprises, they place the basic party organization in a difficult situation, and detract from its political efficiency and militancy.

The organization of party work at enterprises should be adapted to the realities of the 1980s. Hence, basic party organizations and committees at plants and factories

should not act as back-ups for the management and worker self-government, and neither should they adopt the guise and style of action of trade unions representing the interests of particular workforces. The basic party organization or committee at a plant or factory is an outpost of a political party with national goals and program and it should pursue these goals and that program on adapting current policy to the local situation, conditions, and needs.

The political nature and functions of the party at the enterprise are such that there can be no mention of its "partnership" with the trade unions or worker self-government; what comes into play instead is local political action, at the factory and vis a vis these institutions. Essentially, a factory party organization can operate in a twofold manner given its actual condition and internal system, through the mediation of:

- a personnel policy pursued according to the guidelines adopted by the party and the country;

- directing the activities of the party members holding executive posts at the enterprise or serving as members of worker self-government or trade union at the enterprise.

A third form of party work is internal activities to strengthen the party members' feeling of ideological and political identity, to organize the participation of the factory party organization in drafting and correcting the programs for the party as a whole, and to translate the guidelines and directives drafted by higher party echelons into the language of specific policies within the factory.

Only a thus-organized party activity can be an effective instrument of pro-reform policy. But this policy must be designed not only centrally but also by the lower echelons and at discrete enterprises; hence, it should be variegated and flexible, depending on the conditions, needs, and situation of particular enterprises, subsectors, and even entire voivodships.

For example, as known, the restructuring program will require shutting down some enterprises and expanding others, abandoning the manufacture of some products and commencing the manufacture of new ones. Thus, depending on the situation, the party's policy will vary—toward the management, toward the worker self-government, and toward the trade unions. Wherever there is resistance from conservatives in management, the management should be "attacked" and the worker self-government or trade union supported. Wherever worker self-government is the obstacle to restructuring, allies should be sought within flexible management or the support of the trade union pursued. And wherever the reform may menace the workforce, a realistic program for assistance should be drafted with the aid of the party

echelon or the voivodship party organization so as to offset or at least alleviate the adverse—to the workforce—consequences of changes that are in the national interest.

The above example also illustrates ways and means of acting in domains of reform other than restructuring.

Political Support

Thus, the formulation of current directions of party work in the economy at the central level should be such as to indicate the elements of the reform program and the tasks of current economic policy that can and should be politically supported at the enterprise level (restructuring tasks, incomes-prices policy, support of innovations, conservation of materials and energy, etc.). The particular forms of activity must originate from the plant (enterprise) party organization (or committee) itself.

When formulating the general directions of party work in the economy it should also be borne in mind that the plant party organization is an organic part of the workplace, an emanation of the workforce, and that the possibility of its becoming isolated from the particular interests of the enterprise is a function of the actual ideological clan of party members, of the strength of their belief in the validity of a given economic policy pursued by the party and in the positive ultimate results of that policy to the society.

Similarly, the party echelon cannot be viewed merely as a relay link between the leadership and the basic party organizations and committees at enterprises. It is an important—especially in the economic domain—element in creating party policy. If we deprive it of this function, it will become an actual impediment to reform processes and a promoter of particularist interests in personnel policy, and it will offer barren criticism of decisions of the political and economic leadership. Hence, the tasks of the party echelon consist in formulating a rational strategy of the policy of accelerating the reform in cooperation with the administrative-economic leadership and in utilizing the information and recommendations provided by the plant party organizations.

In addition, the party echelon should create the political conditions for organizing assistance to those workforces and worker groups which must bear the social brunt of discrete reform measures; it should promote meeting the social security needs of well performing workers and cadres.

As presented above, the model of party activity in the economy will perform effectively and strengthen the course of the reforms on condition that the feeling of ideological and political identity be assured in party organizations and among party members.

They Are Waiting for an Answer

It should also be borne in mind that the basic prerequisite for the political power and status of the party is the possibility of a genuine participation by its basic organizations in creating the ideological and political program for the party's longrange objectives. A party member must be aware of the longterm aims of the party and feel the coauthor of these aims. Therein he differs from those others who also desire eliminating queues, shortages of consumer goods, inflation, bureaucracy, etc.

The question that arises is: what longrange aims, ideological and social, are desired (and deemed worthy of struggling for) by the party member whether he is a worker, a technician, or an engineer in the present-day enterprise? Contrary to appearances, it is not particular and specific matters to be settled "now" but precisely those distant aims and main principles formulated in a comprehensible direction that will affect decisively the feeling of identity, of party community, and the desire to struggle against the views of adversaries.

Party members feel it necessary for the party to answer a number of questions. What is more, they want to participate in formulating the answers. These questions concern the nature of socialism at present, the violations of its principles and the perils to its aims, the ways of socializing means of production under socialism, the rules for the distribution of material boons, the relationship between labor and its emoluments and the assurance of social security and social welfare, and the aims and limitations of social policy under socialism.

The next 2 years will be a time of difficult economic policy decisions affecting adversely the situation of certain subsectors, enterprises, and occupational and social groups.

Such decisions will conflict with the classical image of the PZPR as the party promoting the ethos of justice, traditionally fighting on behalf of the economically weaker groups and strata, and alleviating the effects of competition. This contradiction between current policy needs and the party's social goals has to be explained to party members, and the choices to be made ("What are we to defend and what to relinquish") have to be jointly worked out with them. What is of lasting value in the party program, as ensuing from the aspirations and needs of its social base and defining its systemic identity, and what—and to what extent—is becoming a new and lasting ideological contribution to that program in the sense of utilizing the resourcefulness and economic activity of individuals for the good of the society?

Hence the significance of the results of the Ideological Conference and of the conclusions it has formulated, which will be the basis for a new dialogue with the party's

social base. Such dialogue seems necessary, because it is a condition for achieving the party's ideological cohesion and hence also reinvigorating its policy of militancy in the economic domain.

The party's activity in the economy concerns not just the principal problem, that of the place, role, and tasks of the basic party organizations at enterprises of the socialized sector, but also two other dilemmas. The first concerns the directions of the party's work and tasks with respect to employees of the nonsocialized [private] sector. A genuinely equal treatment of the [socialized, cooperative, private] sectors, combined with the unification of tax policy, will result in a number of new factors and social problems. The party must be prepared for them: it should formulate its policy toward not only the nonsocialized sector but also the people working in it. The rudiments of that policy should be drafted even now.

The second problem is the party's activities in elements of the managerial system. The elimination of intermediate levels and the previous as well as new impending changes in the functions of top-level management require militant work with cadres of the political administration of the economy. The changes in structures and organization must be supported by an astute personnel policy and proper work with people. This requires a redefinition of the role and tasks of the party organizations operating within the system of economic management.

TPPR Official on Goals, Youth Membership, Cooperation

26000172 Warsaw TRYBUNA LUDU in Polish
8-9 Oct 88 p 3

[Interview with Prof Henryk Bednarski, chairman, Main Administration, Polish-Soviet Friendship Society, by Jerzy Wisniewski: "Prior to the Congress of the Polish-Soviet Friendship Society: We Are Open to All Patriotic Forces in Our Country," date and place not given; first two paragraphs are TRYBUNA LUDU introduction]

[Text] In January of next year, the Polish-Soviet Friendship Society will hold its 12th congress. It will be an important event not just in the life of this organization of more than three million, but also equally significant in the overall sociopolitical life of our country. At present, the voivodship reporting and election conferences are now being held. It is possible to expect that the frank, open discussion at the conferences will make a contribution to the shape of the program of the Polish-Soviet Friendship Society and will meet the needs of the time and the expectations of society.

With this in mind, we asked Prof Dr Henryk Bednarski, chairman of the Main Administration of the Polish-Soviet Friendship Society, to grant us an interview.

[TRYBUNA LUDU] The Polish-Soviet Friendship Society is not the only organization operating in the great, vast area of strengthening friendship with the Soviet Union. Numerous, increasingly closer ties join the political and social organizations of both countries, the economic bodies, the workers' collectives, even, families, and particular individuals. Allow me then to ask a question at the beginning of our conversation that may sound somewhat obsessive (which I do not want): what is the Polish-Soviet Friendship Society? Who or what are you today? A stimulator of activities for Polish-Soviet friendship? Coordinator? Organizer? Or perhaps the Society is or wants to be a little bit of all of them?

[Prof Bednarski] Your question, which I do not think is at all obsessive, recognizes, believe me, the more than 40 years of our organization's accomplishments. The fact that the idea of Polish-Soviet friendship has penetrated into practically all areas of our social, economic, and cultural life, that it materializes itself more noticeably and with better effects for both of our states and nations, demonstrates the correctness of the purposes that the Polish-Soviet Friendship Society set for itself at the beginning of its existence. It is also reason for satisfaction on the part of the many thousands of dedicated activists of the Polish-Soviet Friendship Society, who for the most deeply felt reasons of patriotism and internationalism has spared no effort to implement the high purposes of Polish-Soviet friendship. In this area, in direct response to your question, we are not a monopoly, and we do not want to be one.

[TRYBUNA LUDU] There is a second part of the question. Who or what are you today? In which direction are you going?

[Prof Bednarski] The shortest answer would be that we are an organization, which maintaining its basic ideological principles, is changing because the situation in which we operate is changing. Remaining, however, an organization that adapts its structure to changing conditions, we desire to become a social movement open to cooperation with all social forces in our country that stand on the basic ground of the interests of the state and nation, the attribute of these interests is our alliance and cooperation with the Soviet Union.

[TRYBUNA LUDU] I detect a certain evolution in what you say, if I may say so, of your philosophy of the role of the Polish-Soviet Friendship Society in our society.

[Prof Bednarski] There has been such an evolution. Without going into the details of this situation, I must say that, especially in the country's difficult moments, there is a tendency toward a certain hermeticism, to close in on oneself, in our organization's activities. We are overcoming this tendency, and we hope that we overcome it finally during the preparations for the

Congress and during the congress itself. We are increasingly conscious of the fact that although the Polish-Soviet Friendship Society is operating in a pluralistic society of multiple worldviews that this fact should not weaken our activity, but on the contrary should stimulate it.

[TRYBUNA LUDU] Please permit me to say that this is an important statement. At times, I have encountered the view that the Polish-Soviet Friendship Society prefers to convince those already convinced or to encourage those already encouraged.

[Prof Bednarski] I do not deny that such opinions were or are sometimes justified by reality. But in fact, we do not divide our members into "more ours" and "less ours," although obviously we greatly value the participation of the members of the PZPR, ZSL, and SD, and also of the trade unions, youth organizations, and other organizations. But please believe me, we have engaged ourselves with no less eagerness in helping organize a pilgrimage from one of the parishes in the Ciechanow Voivodship to the USSR than in organizing trips by trade unionists to the USSR. Parenthetically, Inturist has sent us special thanks for the excellent organization and model behavior of this pilgrimage.

[TRYBUNA LUDU] Here we have touched on a subject worth greater attention. I am thinking of the differentiation, the enrichment of the forms of human contacts between the citizens of our countries.

[Prof Bednarski] This issue remains at the center of our attention. We want to, and with this in view, we are meeting with greater understanding on the part of the activists of the Soviet-Polish Friendship society to make the contacts increasingly less formal, more natural. Much has been done in this direction already, especially in the area of contacts between citizens of Poland and of the neighboring Soviet Republics. Clubs of natives of Leningrad, friends of Lithuania, for example, have been formed in Poland; here is a letter from the Foundation to Help Children with a request to help them organize a joint Polish-Soviet computer workshop for children and young people. Craftsmen interested in contacts with Soviet partners have asked us for help. Farmers have shown interest in what is happening in the USSR. Together with our comrades in the Soviet-Polish Friendship Society, we have begun initiatives to exchange children and young people between families, etc. There are many examples of the growing interest in contact with Soviet friends at various levels. Does this mean that the varied forms of which I have spoken must immediately take on organized form or approval? This is not the point. We see our role, the role of the Polish-Soviet Friendship Society, in noting these initiatives, supporting them, to open the way for people or groups toward mutual acquaintance and understanding.

[TRYBUNA LUDU] This probably, among other things, reveals the formula of the movement you are becoming. But I wish in closing to pose a question which departs perhaps from the general character of our conversation. Have you heard, some Western broadcasting services have mentioned this, of anti-Soviet tendencies among some young people?

[Prof Bednarski] But I in turn have another question. Do you know how many pupils and students belong to the Polish-Soviet Friendship Society of their own will?

[TRYBUNA LUDU] I admit I do not.

[Prof Bednarski] There are nearly 1.5 million pupils who are members and 14,500 students. And from 1985 to the end of 1987, the number of pupils increased by 12 percent, the number of students by 27.8 percent. I am not speaking of these numbers in order to cover over the tendency you have mentioned or in order to turn my back to it. I mention them because sometimes we are inclined to notice some phenomena among young people and avoid others. My view is as follows: the attempts of the political opponents to spread anti-Sovietism among young people do not have much chance, for it has neither substantial nor emotional subsoil. This does not mean that we can neglect this activity by our opponents. We do not intend to do this. We are in such a favorable situation today that we can speak out loud about the bright as well as the dark pages of our history on both sides of the Bug. No one has to substitute for us in this effort, especially if he does it in bad faith. Our task, the task of the activists of the Polish-Soviet Friendship society, is frank, collegial discussion, to take up all the problems that must be considered.

[TRYBUNA LUDU] Thank you for your comments.

POLITYKA Weekly News Roundup
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[Excerpts]

National News

[Passage omitted] At the cathedral in Katowice, the protest action of several dozen people demanding the return to work of the dozen or so organizers of the August strikes refused employment by the mines that had formerly employed them has ended. For humanitarian reasons, the mines agreed to let the fired miners return to work.

A communique of the Central Office of Statistics on the socioeconomic situation in October. Production sold by socialized industry was 2.2 percent higher than a year ago. In the processing industries, it was up 2.8 percent, and in mining, it declined 5.5 percent. Fewer apartments were turned over for use; purchases of live meat

declined; purchases of milk rose. Exports were 3.7 percent lower, and imports 6 percent lower than last year. Market instability worsened. The average monthly wage in the five basic sectors of the economy was 93 percent higher than a year ago (50,400 zloty); in the course of three quarters throughout the entire socialized economy, it reached about 46,000 zloty (an increase of 66 percent in comparison to the three quarters of last year). During the three quarters, living costs increased for worker households in the socialized economy by 53 percent.

"In the ministry of education, 149 legal acts were voided. Among the more than 551 acts in force, 500 are still to be voided," J. Fisiak, the new minister of education, said. He announced that in the next year changes will be made in the high school examinations: elective subjects, even including foreign languages not learned at the school, will be added; the limits for acceptance to evening and continuing studies will be removed; the basis for acceptance to universities will be exclusively the result of the entrance examinations and the grade received in secondary school.

In Szczecin, a proposal to permit carrying sums up to \$500 abroad without permission from the bank has appeared. It is logical in a situation where anyone can open an account without documenting the origin of his convertible currency, and it would relieve the bank of paper work.

Attitudes toward the liquidation of the Gdansk Shipyards are being studied by the Public Opinion Research Center. More than three-quarters of the respondents approved of the decision to liquidate the Lenin Shipyards, the Siechnice Steelworks, and the Coal Mining Associations. On the subject of the shipyard itself, 58 percent of the respondents commented positively, and 26 percent expressed disapproval.

Prices have increased for alcohol products of about 10 percent and of a similar level for tobacco products (11 percent for domestic and 12 percent for imported ones).

The Mokotow district of Warsaw has put forward the idea of transforming the district into a special economic zone, a separate area in which free trade in zloty and convertible currency, without tariffs, would be allowed.

TRYBUNA LUDU has denied rumors that the provision giving women, who have worked at least 30 years, the right to retire at age 55, has been removed from the proposed new retirement law. There has been and is no such proposed change to the detriment of working women.

The rector of Warsaw University has put forward a proposal to restore the full name of the university: "in honor of Jozef Pilsudski."

The monument to J. Pilsudski whose casting is in Yugoslavia (we have written about it a couple of times in POLITYKA) is the legal property of the Katowice Voivodship, and the Ministry of Culture has handed over the entire documentation on the matter to those authorities.

Andrzej Wajda, who was in Moscow in conjunction with the review of his films, has accepted a proposal to head the jury at next year's Moscow Film Festival. [passage omitted]

The use of the defense industry for market production was one of the subjects at the meeting of the Presidium of the National Defense Committee. In 1989, the defense industry wants to put goods worth 48 billion zloty more on the domestic market than in 1988, and in 1990 it wants to add a similar increment of goods beyond the level of 1989, all at prices comparable to 1988 prices. It is worth adding that our defense industry does not draw any subsidies from the state, but is self-financing. Its work is largely based on Polish scientific and technical thought and makes only slight use of licenses. It is an excellent industry, a model of organization. Two-thirds of the military equipment produced is exported; only one-third is used to meet the needs of our military forces and paramilitary organizations. Polish goods have a solid reputation among foreign buyers. The convertible currency earned is used to purchase various goods, materials, and raw materials essential for equipping the Polish Army, and a not inconsiderable sum is contributed to the state treasury.

On the Left

"Do you know that in the majority of countries personal identity cards do not exist; there are only passports for foreign travel?," writes Vitaliy Vasilev in OGONEK. "How do they live without this basic document? There is not any anarchy, confusion, and chaos? How do you know who is who? It is very simple: on the basis of any proof of identity, but most frequently a person is merely taken at his word. And if we are dealing with a cunning criminal, a person avoiding paying child support, or a spy? Obviously, there is a certain amount of risk. But the percentage of criminals, individuals avoiding paying child support, and spies is so slight that it is senseless to develop a system for identifying citizens and issuing them personal identity cards because of them." [passage omitted]

The Supreme Soviet of Estonia adopted by a vote of 258 for and 1 against a "Declaration of Sovereignty," proclaiming the sovereignty of Estonia within the Soviet Union. It introduced a few changes into the Estonian constitution. According to one of them, all union laws will be binding in Estonia only after they have been registered by the Presidium of the Supreme Soviet of the Estonian SSR. Others guarantee the right to private property and state that the land and natural resources of the republic are the property of Estonia and not the state.

Recognizing that the changes and a number of other documents adopted by the Estonian Supreme Soviet do not agree with the provisions of the constitution of the USSR, the Presidium of the USSR Supreme Soviet decided to examine them at its next meeting. [passage omitted]

In Lithuania a special government commission is supposed to investigate information coming in from the people about crimes committed in 1941 in the forest around Rajiniai, in the housing district Prawieniszkiys and in Poniewieze.

The militia prevented the beginning of the deliberations of the seminar "Czechoslovakia 88" and informed the foreign participants that it was illegal. Among them were representatives of the movement to protect human rights from Denmark, the United States, France, Great Britain, Italy, Holland, the FRG, and Sweden. Nearly all of the local organizers were detained the day before the deliberations were to begin; the playwright Vaclav Havel was detained while he was announcing the opening of the seminar. RUDE PRAVO commented: "Two weeks after the provocative pronouncement of the antisocialist forces, this same group of people made an attempt to commit another provocation and exploited, for this purpose, cooperation with psychological-warfare organizations of the NATO countries. In order to participate in this action, 20 individuals, who represent various Western structures many of which present sharply anti-Czechoslovakian positions, were to come to Czechoslovakia as tourists. The chief goal of these so-called tourists was to incite the dissidents to more active antisocialist action.

"There is no longer any reason to hide the fact that a group of citizens has sent the so-called Danube Appeal to the authorities of the CSSR and to international institutions," Bratislava PRAVDA writes. "It was signed by 600 citizens. The signers, among whom are outstanding scientists, members of the Slovak Academy of Sciences, propose that the new power plant not be a gigantic investment, but a conventional conversion plant. The authors demand in conjunction with this the halting of construction work in Nagymaros."

RUDE PRAVO denied rumor that the former premier, Lubomir Strougal, and the other dismissed members of his cabinet, Bohuslav Chnioupek and Vratislav Vajnar, have emigrated to Switzerland. "How can you not be embarrassed to believe such rumors and to spread them," the paper comments. [passage omitted]

The Romanian Ministry of Foreign Affairs announced that Karoly Gyoryfy, the Hungarian commercial officer, had been declared persona non grata and had to leave the territory of Romania within three days. The ministry accused the Hungarian diplomat of "distributing anti-Romanian and antisocialist pamphlets," of stealing the car in which he was traveling and causing a serious traffic accident. In response, the Hungarian Ministry of

Foreign Affairs protested against the "serious provocation" of the Romanian militia which had detained the officer and searched his car and had interrogated him for 6 hours.

The spokesman for the Hungarian Ministry of Foreign Affairs confirmed that the DPRK has recalled its ambassador from Budapest in order to protest the Hungarian decision to open a permanent mission in Seoul. Ambassador Kim Pyong Il, the second son of the Korean leader, Kim Il-Song, was recalled to Pyongyang on 5 November 1988.

The association Solidarity has been formed in Novi Sad, the capital of Voivodina. It is "to help in all actions in support of equality and freedom for all nations and nationalities threatened by Albanian nationalism and separatism." [passage omitted]

Opinions

J. Konarzewski:

"I am a member of one of the largest chapters of the Union of Fighters for Freedom and Democracy in Szczecin. And who are the members of our chapter? Former camp prisoners, 9; soldiers of September, 6; soldiers of the Army in the West, 9; members of the resistance movement, 35; soldiers of the Polish Army, 25; and (take note!) Fighters for the Maintenance of Popular Power, 80! And here is where the bone of contention lies buried! For among these 80, there are only a few participants in the fight against the Ukrainian Insurrection Army, the soldiers of the Internal Security Corps; they are chiefly former employees of the Security Office and the Citizens' Militia, who retired early. And in the 1960's and 1970's in order to become a member of the Union of Fighters, it was enough to have a letter from the Office of the Citizens' Militia, that the given citizen 'had fought to maintain Popular Power.' . . .

"I genuinely have nothing against those who fought in the mud and freezing cold whether in the Bieszczady or elsewhere. I am concerned that those who sat behind desks and in interrogation rooms or even served in the prisons (yes, there are some of them) do not benefit from the rights of combatants. Parenthetically speaking, the Social Security Agency does not credit us former soldiers of the Home Army for service prior to 22 August 1944. Because at that time People's Poland did not exist!"

(From a reader's letter to MORZE I ZIEMIA, 16-22 November 1988)

Prof Dr Jerzy Fisiak, minister of national education:

[Question] The recent initiative of the Warsaw community to form private schools was not accepted by the authorities.

[Answer] The issue requires more thorough consideration. Personally, I think that forming such schools would be possible, obviously provided they meet certain conditions such as, for example, giving the state control over the curriculum. In fact, in Poland, there are already a dozen or so private schools, generally under the Church. As far as I know the quality of the education in them is high.

(Interview by Piotr Andrzejewski and Krzysztof Golata, WPROST 20 November 1988)

Tadeusz Myslik, Sejm deputy, deputy chairman of the Polish Catholic-Social Union:

"I think that the future Sejm election law should be the result of consensus, the self-limitation of the partners in the social dialogue. Concretely: I imagine that on the basis of a pre-election agreement the opposition could agree to 100 to 150 places in the Sejm. That is quite a lot. Such a number of deputies would permit it effectively to control the authorities. But simultaneously, it would make the coalition of forces exercising political authority real, for no single party would be able to control a parliamentary majority. This means that the PZPR would have to talk with the parties as allies on whom a very great deal depended, especially the maintenance of the majority."

(Interviewed by Ryszard Swierkowski, PER-SPEKTYWY 18 November 1988)

"In response to the question, 'Does Poland today need a strong leader, who would introduce law and order?', 78 percent of the respondents replied yes. This proposal is weakly associated with support, for example, for the government . . . ; it is also difficult to regard it as a sign of the authoritarianism of Polish society, an expression of a desire for having a "strong authority." On the contrary, it is possible to think that if the question were: 'Is a democratic system which would introduce law and order essential in Poland today?', it would receive the same high support. This is primarily a reaction to the slogan "law and order." (Since 1978, there has been a clear decline of authoritarianism in Polish society. As the research of Dr Jadwiga Koralewicz done this year shows, Poles associate strong authorities with a sense of security, i.e., it is to be elected democratically and operate in the democratic environment of a welfare authority.)"

(From the discussion of the study "Poles'88," PRZEGŁAD KATOLICKI 20 November 1988) [passage omitted]

The opinions and views cited in this section do not always agree with those of the editors.

YUGOSLAVIA

Zagreb Roundtable Generates Controversy

Review of Discussion

28000036 Zagreb START in Serbo-Croatian
29 Oct 88 pp 33-37

[Article by Zdravko Milinovic: "Simulation of a Multi-party System"]

[Text] While just a few years ago Dr Slaven Letica justifiably wrote about the media invasion of previously academically peaceful professors and scholars, about a public breakthrough in the best theatrical manner, it has been noticeable in recent months that there have been considerably fewer of those interviews, articles, and polemics. If we exclude the scholars who have been harnessed to current political trends, the space in the newspapers that they ruled until recently in such a sovereign manner has been taken over by politicians, party plenums, and the "people," who have begun to go out into the street. Scholars have become quiet in the face of the onslaught of events, and perhaps that is precisely why the recently held round table at the Zagreb Faculty of Political Sciences (FPN), and what was said at it by eminent political scientists from Zagreb and from all of Yugoslavia, attracted so much attention from the public, obviously exhausted by daily political uncertainty.

The "Political-Science Analysis of Current Political Processes in Yugoslavia," the subject chosen by the organizers, the FPN and the Croatian Society of Political Scientists, attracted a large number of political scientists, sociologists, and lawyers. Some of those invited did not come, however, since the round table was held just a day or so before the 17th session of the LCY Central Committee (CC), which had been announced as a crucial and fateful one, and numerous constitutional commissions were meeting at the same time.

Nevertheless, the seriousness with which the political scientists examined today's situation, and the tolerance with which they debated positions whose proponents were not present, exceeded what we have been observing daily in public life. Even so, they had to overcome emotions and quiet passions. "Let us attempt to analyze, from the standpoint of political science, specific political processes in Yugoslav society, the traumatic socioeconomic and political situation, in the framework of which, it seems to me, the entire development of Yugoslav society to date is being shattered within a very short time and its ideological projections are being scrutinized," said Dr Ivan Siber at the very beginning.

The ambitions with which this meeting of political scientists was convened were confirmed by the very first discussant, Dr Zdravko Tomac, speaking about the "need to revalue all values, the need for the intellectuals of Yugoslavia to prepare a comprehensive program for

the reconstruction of Yugoslav society, and to offer it to politics, and for politics, as always, to determine what it will take from it. That is because I agree with my colleague Siber that intellectuals and scholars can provide an analysis, can point out tendencies, and can make proposals, but how much of that will be adopted or will not be adopted depends on the balance of political forces, on ethnic and class conflicts in Yugoslavia, and on the way in which the LCY, as the leading and ideological force, is successful in getting out of the present chaos and a situation in which it is increasingly losing the opportunity to guide social processes." Dr Branko Horvat did not agree with the role, thus conceived, of intellectuals and of this meeting: "As professionals, we should make our proposals. And then, as intellectuals, we should participate fully in the political process, and using all political means we should also participate in the street gatherings that are available to us in order to fight for that proposal. I think that an enormous mistake has been made by the intellectuals in this country, who have always hidden behind someone like some sort of advisors, instead of coming out into the light of day as an independent political force."

Dr Dusan Bilandzic recalled that the power of critical speech, regardless of how harsh it is, "does not move pebbles in our country, much less walls." "Whatever plans we make here, completed plans, if we provide 50 of them, every one can be destroyed with strong arguments 5 minutes after being presented here, just as any plan can also be strongly defended. The point is that here we should not make a plan in isolation, no matter what grounds we have. Then, proceeding from the fact that we should not prepare such a plan, I asked myself this question: in this situation, what could be the first step, or group of steps, which should be taken, under the supposition that tragic outcomes would not result, such as a coup d'etat, or putsches..."

The discussion proceeded without written reports and presentations, and so ideas were expressed that could perhaps have been "edited" differently. The desire to have the current situation and political and social events analyzed in an "unbiased neutral" and "objective" manner could not be achieved, since even political scientists do not live under glass, nor can an overall society such as ours be studied by putting it under glass even for a moment. Something always wriggles free, slips away, and remains untouched, and later proves decisive. Nevertheless, our impression is that Dr Marijan Korosic, who rightly points out the "importance of cool-headed people," could have been satisfied after this session. There are such people.

Party Against State

"The central issue in initiating economic reforms, an efficient and rational society, and the modern organization of public affairs in Yugoslavia, lies in abolishing the party state and making the transition to a socialist legal

state. Admittedly, it should be noted that on the theoretical level, but also in practice, very little has been done here to head toward a legal state. We have a combination of a legal and a party state, on the theoretical and normative level, but in practice the party state is dominant. We should now go radically further, however. We should completely transform the party legal state, both on the level of theory and norms, and particularly in practice. That is not possible without the adoption of a new constitution, which has to be based upon consistent application of principles: the first among which is a break, to the point of extreme consequences, with the symbiosis between the party and the state, and a complete transition from the system of party rule to a legal state."

With these words, Dr Zdravko Tomac took up one of the most important and fundamental issues in our present political situation, on which almost all the participants in the round table stated their own positions in the subsequent discussion. The crucial statement, however, was that of Dr Branko Horvat, who presented the opposing view at the very beginning in his well-known lapidary style and thus made it possible for the others to take a clearer stand.

Stressing that everyone, like Tomac, wanted that separation of party and state, Dr Branko Horvat said that it was impossible. He stated, "For once in Yugoslav political science, it should be stated quite clearly that this is a utopian demand. It is impossible for psychological, sociological, and organizational reasons. The party's task is to direct the state; that party has no other task. The party will not direct private lives or beliefs or anything like that... The party was created in order to direct the state. By separating the party from the state, we would not want the party to direct the state now, but instead make some suggestions, and the state now, can accept them or not accept them, and take the responsibility. It is precisely because there has been so much insistence so far, without anything being carried out, because the separation of the party from the state could not be carried out, that we are in a situation in which no one is taking responsibility. You recall this latest statement by Raif Dizdarevic, the head of the Yugoslav state, who has been constantly telling someone that he ought to do something. As if he were not at the head of that state that ought to do something! He should come out with a program, with actions and promises. Instead, he has been constantly telling someone else what he should do, saying who has not done something, and so on. That is not by chance, it is being constantly repeated, and it is a direct consequence of the utopian thesis that the party can be separated from the state! A party that is in power has to lead the state and bear full responsibility for it. If it is not successful in performing that duty, then it should give up power. There is no other possibility. In fact, theoretically, the possibility of not having a party state exists, but it is unfortunately not within the realm of Yugoslav possibilities."

Dr Adolf Bibic, a professor at the Ljubljana Faculty of Political Sciences, Journalism, and Sociology, was closer in his positions to Horvat's thesis, although he did not defend it resolutely. "I think that it is really true that while the party exists, and the party will exist for a long time to come, it has its own role as a ruling factor. But if we do not look at just our society, but look at some broader, European area, then what is happening? A process of the departyization of the state is under way—and these latest analyses indicate this—in the West as well. For example, one study of the political system, the party system, in Austria indicates this. And what do we mean when we say the separation of the party from the state? I take it to mean, above all, a process in which the party ceases to be above the state and above state laws; that it respects—that is only one element—a system that is also binding upon it."

A guest from Belgrade, Dr Svetozar Stojanovic from the Institute for Social Sciences, joined in the discussion and stated, "Let us be realistic; we live in a party state and all those who belong to the party know that it is a state party. Our path in civilization has to be a legal state, but as long as a party also exists, we will have its legal status, which can be curtailed and reduced, but cannot be completely eliminated. Our path has to be a transitional historical one, through specific forms of political pluralism. Let me put the cards on the table at once. I think that from a long-term point of view, democratic socialism—and I am in favor of that program—cannot be built in a single country with any monopoly whatsoever over the state being held by any group whatsoever. In the long term, that also means political pluralism. That is easy to say, however, and it is easy to invent schemes."

Dr Tomac took the floor again in order to clarify his point of departure, thus interrupting a debate that, in terms of the theses put into circulation, was by no means a naive one. Specifically, this has to do with a commitment from the LCY Program, which, among other things, also served at one time as the reason for the renaming of what had until then been the Communist Party of Yugoslavia to the League of Communists of Yugoslavia, and thus a proclaimed renunciation of the party as the ruling entity in society. "I fully agree that a modern society cannot function without a political party, and my basic idea was that the political party should not rule directly, but rather through a legal state. It is along those lines that I view the separation of the party from the state. The problem of the socialist systems is that political parties rule directly, and that this is a party state. This means that it is stronger than the legal state, and that the legal state does not exist, but is an intermediary," Tomac concluded.

Joining in the discussion, Drazen Kalodjera was the only one to take a position as an economist on the relationship between the party and the state, and the almost plebiscitary demands of the scholars for the consistent implementation of a legal state: "The role of the party and state is quite different under the conditions of a

market economy, with full autonomy for economic entities, when the rules of the game are derived from itself and not from state intervention. And Branko Horvat is right about that. But then Zdravko Tomac is also right when he says that in such a market mechanism the presence of the party and state should not be as it has been in the past, as it was in the central planned economy here. I feel that today the main bill for this crisis should be sent to the party committees, from those in the opstinas to the Central Committee, that have guided this economy in an improvisational and dilettantish fashion for a full 40 years. They are the ones who made the decisions on all of the crucial investments and credit blunders. We have had dreadful experiences with the Zagreb City Committee... Just a few years ago, all of the Zagreb mistakes came from Mesnicka Street."

Prof Zvonko Lerotic, from the Zagreb Political Science Faculty, felt that the fact that "the LC has reached the limits of its incompetence" could not be an immaterial fact in these discussions. He said, "There are certain obvious facts, facts, I say, that have led the political system headed by the LC into a dead end. Dead end, here, means a wall or barrier that cannot be bypassed or jumped over; nor can one pass through that wall. At such a critical time, when the LC has reached the limits of its competence in resolving the crucial issues of modern times and Yugoslav society, when it has enthroned itself as the sole enduring and indisputable actual force and power in society, it has to find a way out at any cost. Consequently, the LC leaderships are insisting that all members and the membership must, as their first task, work on seeking a way out of the crisis. Seeking a way out of the crisis is a political formula that has been in effect for 8 years. People wanted to use it to jump over the barrier set up by backwardness, inflation, obsolescence, stagnation, the existing confrontations, etc. Nevertheless, after the speech by Slobodan Milosevic in Kosovo Polje, and after the May measures of the federal government, the concept of crisis is passing into oblivion. A new period, a period of conflicts, is coming."

Dr Ivan Prpic from Zagreb, and Dr Svetozar Stojanovic from Belgrade, in his second speech, nevertheless went a step further in analyzing the modalities of the dualism of the party and state, by questioning the concept of the "party" in our Real-Politik relations. Dr Prpic said that the concept of the party could not be used to analyze this system, although he admitted that at one time he had done so: "It is not true that the party is in power in this country. The concept of parties implies a quite specific concept, a type of state system for which a party is a party. In our country we have one group; one can say sociologically that it is a smaller group compared to all others that are not the party. Politically and in terms of political science, however, we have a system in which one active entity directs all relationships in accordance with its own vision, according to its own idea, and it establishes itself or tries to establish itself in all those spheres."

Dr Stojanovic is very close to the views of his colleague from Zagreb, but uses the concept of "a party within the party": "With respect to the party, there is an ideological illusion. The party is also an intermediary; in this system the party is the central intermediary for the statist class, and so other intermediaries also go through it and from it. Accordingly, the percentage of people in the party is not the percentage that rules or constitutes some ruling party—it is a much smaller percentage. Within the party, that is, we might say, a party within the party, if I may put it that way. In connection with this, the party, if it wants to stay in the system without using force, and without imposing itself upon society, must naturally have some fundamental legitimacy. The time of historical and ideological legitimacy has passed; today what is necessary is legitimacy through action, and not only through action, but rather the capability of acting within a broader democratic framework, and consenting to a social pact, to social compromises."

Professors Simulate a Multiparty System

When at one time Academician Eugen Pusic, speaking at a prominent Zagreb public forum at the SAWP Social Central at Kaptol, said that one should not be scandalized by considerations of the advantages and shortcomings of one-party and multiparty political systems, no one reacted publicly. The prevailing opinion was that only such a prominent professor of venerable years could permit himself such a statement, which was still a heretical one. At the Zagreb FPN round table, the initiator of the "multiparty system exercise," as some newspapers wrote, was Dr Branko Horvat, who proceeded from the thesis that it was necessary for the party, whatever it was like, to be controlled: "The only possibility for the party to be controlled is competition from another party. There is no other possibility. The party in power has a political monopoly, and if we want to end that monopoly, then we must introduce competition. That is something that economists learn in their first year of studies. Without competition, monopoly appears. If you want to eliminate it, you cannot eliminate it by law. You must establish a market and competition. Thus, we also need political competition."

Dr Svetozar Stojanovic agreed to the discussion, adding that the biggest problem was in the "embryo of what Branko Horvat calls the other party: I wrote about at one time, and still hold, the idea of an alliance of socialists and of a social pact among parties within the alliance of socialists. Even if someone is bothered by new organizations and he gets into a panic because of them, I do not have anything against having this paper organization of the Socialist Alliance transformed in that way. A social pact within that framework is necessary; obviously, Poland and Hungary are moving in that direction. In that respect we are a very undeveloped country in comparison with some East European countries. We need a social pact in which the party, as part of what I call an alliance of socialists, and someone may call the

Socialist Alliance, will be recognized as having the leading role, but a specific leading role in certain matters, and will schedule elections, free elections... Through a social pact within the framework of the alliance of socialists, or the Socialist Alliance, the Communist Party of Yugoslavia can be guaranteed 51 percent of the positions in advance for all elected positions in Yugoslavia, but in the sense that in this case the communists, i.e., party members, must compete against party members. Not only the party could put forward candidates for those positions, but also the people, and others as well. They may simply like certain communists better than others, for whatever reason. That is 51 percent of the positions; that means that 49 percent should be open for free candidacy. That is what I call a social contract, a social pact, and a transitional period. Naturally, this is not a transitional period in the sense of the dictatorship of the proletariat, but rather in this real political sense." Prof Davor Rodin of the Zagreb Faculty of Political Science immediately entered the discussion: "Horvat and Stojanovic say at least two parties. All of history, this dramatic history from the turn of the century until fascism's coming to power in Germany and until the Bolshevik revolution, points to the crisis of parliamentarism. Why is parliamentarism in a crisis? Because the parties, whether there are two or ten of them in the parliament, have always ceased to be parties that discuss things democratically; instead, the parliaments decide, and the majority party dictates. The process of democracy is present only in the electoral procedure. The ruling party rules in parliament in a dictatorial manner, i.e., it rules without democracy. It decides, it no longer has the right of discussion, and people do not discuss in parliament, but rather decide. That has brought parliamentarism to a fundamental crisis. That is because if this is the case, it does not matter whether the people decide at once in a plebiscitary manner with a yes or no about some charismatic leader, about a president of the republic, or possibly a dictator, or whether this is done through the parliament, which turns in any case into a place of babble if one party does not have a decisive majority."

Historian Dr Dusan Bilandzic, although prompted by the same realizations as Horvat and Stojanovic, proposed different solutions: "We do not have a democratic multiparty system, so that the leadership of society can be taken over by another party. We have neither a mechanism nor a procedure nor a political culture as instruments for the reconstruction of all leaderships in all working milieux and at all levels of sociopolitical life, from the local community to the federation. That is a tremendous obstacle, too tremendous. In designing and carrying out the first steps toward social reform, what could those first steps be, assuming that a cataclysm would not occur? Of course, the first step, as I said, would have to be the reconstruction of the leaderships. This would not, however, following the logic of the pyramid, be in such a way that the higher level would now determine the new people at the lower level, but instead, in the absence of a multiparty system and other mechanisms, the base, the delegate base, would give

assessments of each person individually during the process of discussion, and in that way certain criteria would emerge, criteria for a democratic public, so that then such a reconstruction could be carried out. At the same time, it would be worth while to form shadow governments, at once, within the SAWPY, at the federal level and the republic levels, which would formulate alternative programs for social development and would be ready, in response to a summons from the assemblies, to take over the function of the operative government, and replace the former government. After this a shadow government would again be formed to monitor this. This would therefore be a simulation of a multiparty system within the framework of the Socialist Alliance."

In contrast to Dr Bilandzic, Dr Ivica Mastruko from Zadar brought the discussion back again to the party and relations within it: "With respect to the monopoly held by the LC, then I am convinced that the democratic centralism upon which there has been so much insistence lately, as a working principle and as a principle for the functioning of the party in our country, no longer has any chance of being effective, and that its effectiveness has been completely exhausted. Actually, it will only function, and be cited, if and when the national or republic parties are in agreement on certain issues. It will not function on issues on which agreement has not been reached, regardless of the positions of the political leadership of the pyramid. In fact, those positions will not be carried out, but will only be interpreted differently or justified by the interests of one's own people or one's own republic, and when necessary, clearly, by securing this broad popular support in rallies and so forth, and through the mandate thus acquired. It seems to me that one of the possible ways out, along the lines of this democratization, this democratic option, could be the legalization of factions within the party."

While the discussion was still in full swing, a survey was conducted among the participants in the round table about their positions and views on hot current political or political science issues. It turned out that they really were saying what they thought in front of the microphones and the running television cameras, even when a survey form was in front of them that they did not have to sign. The survey was organized by the journal NASE TEME, the results were processed by political scientists Zdravko Petan and Tihomir Cipek, and the participants themselves were informed about the results by Dr Slaven Letica before the end of the talks at FPN.

While journalists noted the ideas about transforming the Socialist Alliance into another parallel party, establishing a new Socialist Alliance, forming republic or federal shadow governments or legalizing factions within the LC, the results of the survey precisely said that political pluralism received 9 votes as the "principle/element of an ideal political system," political monism and the one-party system did not receive a single vote, and a nonparty system received 10 votes.

How can one contribute to the political, economic, and social stabilization of the state? That is the question concerning which there would probably be the most disputes if their positions were taken to their extreme consequences, although Dr Branko Horvat even now has said that there were "no disputes" among economists. Tomac, Pusic, and several other discussants said that the "democratic option" was the only thing available. Pessimism was the most striking characteristic emerging from the discussions on the current situation and the prospects and objective possibilities in Yugoslav society.

There is an abundance of dire predictions in any case, and so everything that was said at the FPN in Zagreb and then seen on television in a one-and-one-half-hour long broadcast, during the post-plenum lull, sounded more than harsh. Dr Lerotic says that the period of conflicts has begun. But has our first real postwar state crisis really begun, how is it to be faced, and where (in the Assembly)? Or does life proceed according to its own laws, outside of political and even political science discussions?

[Box, pp 34, 35]

Commentary by Zdravko Tomac: "The Entanglement of the Party in the LCY"

About 10 tumultuous days have passed since the meeting of the political scientists of Yugoslavia, who engaged in a political science analysis of current political processes in Yugoslavia.

During those 10 days, so much has happened that one can rightly pose the question of how much the positions, diagnoses, and proposals voiced are in accordance with what happened at the 17th session of the LCY CC and after it.

Is Yugoslavia the same after the 17th session of the LCY CC, or different? Have the dangers of new dramatic events been reduced, and do our peoples and nationalities like each other more after the 17th session?

Which forces were victorious at the 17th session, did anyone win, or did some only grow stronger while others became weaker?

Can one foresee what will happen next in Yugoslavia? Many other questions could also be raised. It is difficult to answer even those raised in a few sentences. Nevertheless, I will try at least to designate certain significant processes that may have far-reaching significance for the future of Yugoslavia, which open up chances for the outcome to be a democratic one, and lead to the modernization of Yugoslavia and its becoming capable of solving more successfully not only the problems of the present, but also those of the future.

There are three key events that can have a fundamental influence upon a change in relationships within Yugoslavia.

1. After a long period of aimlessness, confusion, lack of direction, and retrogression, the agreement at the LCY CC plenum on the development strategy and the concept of the three reforms means that Yugoslavia is again united on the basis of a concept that can be expressed through the slogan "With Tito even after Tito." The AVNOJ [Anti-Fascist Council for the National Liberation of Yugoslavia] foundations of Tito's Yugoslavia have again been reaffirmed, and it has been emphasized once more that Yugoslavia can only be a socialist community of equal peoples and nationalities.

2. The forces that not only advocated, but also worked to create the frenzy of a state of emergency in order to justify their demands for emergency measures, have been suppressed, weakened, and halted, at least temporarily. Those forces have been suppressed that constantly challenged the legitimacy of the system and of the leaderships and that constantly exerted pressure to have problems solved outside of the system's institutions rather than through them, citing the will of the people.

Such a situation was all the more dangerous because the authoritative interpreters of the will of their own people overlooked the fact that many peoples and nationalities live in Yugoslavia, and that it is not possible in Yugoslavia for one people to impose its own will and interests upon the others.

3. The 17th session of the LCY CC means the beginning of a process of constituting the Yugoslav political leadership, its unity, and the strengthening of its authority, and the weakening of the position of those forces that for a long time have wanted—and have worked toward—the confusion and incapacitation of many legal and legitimate institutions of the system, especially in certain federal units and at the federal level.

Nevertheless, what happened in the regrouping of political forces and concepts in the republics and provinces on the eve of the plenum, and what was particularly expressed in the discussion of the vote of confidence on members of the LCY CC Presidium, in the voting itself, and in the discussion after the vote regarding what has begun to happen in Yugoslavia with different interpretations of that vote, will undoubtedly have far-reaching significance for future processes. It is therefore also natural that it is precisely that process that is attracting the most attention in political analyses both here and in the world. It is obvious that the results of the vote show that a vast majority in Yugoslavia want to have the Yugoslav political leadership constituted on the basis of the platform adopted at the plenum, to have the conditions necessary for the leadership's work created, and to have its authority strengthened. The results of the vote, through the vote of no confidence in Dusan Ckrebic, as NIN writes, "in addition to Slobodan Milosevic, Petar

Gracanin, Bogdan Trifunovic, and Borisav Jovic, the politicians who have been most prominent following the 8th session of the Serbian LC CC in the new policy of the Serbian leadership," show that a majority of the members of the Serbian LC CC do not accept certain aspects of the policy being conducted precisely by the team cited by NIN.

Sarajevo's OSLOBODJENJE, in its commentary, gives such an assessment, under the title of "Blow Parried," and writes: "Perhaps at this time it is really not possible to answer with certainty the question of whether the LCY exists, but on the other hand the LCY CC proved its existence after its 17th session. With all the reservations that one might have with respect to this or that that was said or that happened at the plenum, it is indisputable that the LCY CC did what was possible at this time to recover its lost position in the country's political life and its reputation in the heads of those whose leadership is making claims of its own legitimacy, as it is now fashionable to say. By protecting Stipe Suvar from attacks upon his moral and political integrity, it protected itself, and the dignity of the institution and its rostrum.

"One could even say that it 'parried the blow' of the arbitrary accusations and denunciations by the forces of intimidation, and publicly announced that it did not have any intention of being an easy and safe prey for any pressure, just because its hands were tied by its compromised members. It also publicly announced its determination to part with people humanely, regardless of why and how they were leaving. It opposed the rejection of its own existence, faced with the frightening possibility that after every CC session a larger or smaller number of CC members would be denounced or condemned because of they said this or that at the session, because they thought aloud, or even said something that did not quite please everyone.

"The final outcome of that practice could be having one person or a small group decide who would remain in the CC and join it, and then have the rest submit to them their written discussions for review in advance. We do not want that kind of unity; they have been united members of the LCY CC."

I fully agree with that commentary. Furthermore, I think that one can state that either the Presidium of the LCY CC will decide in a sovereign manner and be responsible to the whole of the CC, instead of having each member responsible to his own republic or provincial base, or there cannot be a Yugoslav LC, and then Tito's Yugoslavia cannot exist either.

The question arises of whether that outcome of the vote will encourage Milosevic and his team, following the fatherly advice of the old communist Hafner, to reexamine some aspects of their policy, which is encountering increasingly stronger resistance and rejection in Yugoslavia, or whether it will lead to more dramatic events

and confrontations. Ivica Racan, explaining why the Presidium insisted on a secret vote, explained that he had passed seven secret votes with several candidates and that he would not associate his possible fall with his own republic and nationality, and that we have to become accustomed to democracy, secret votes, and several candidates, and that we have to respect the right to have any executive body and any member replaced by a decision of the body that elected him. Such a reasonable explanation and arguments, however, did not prevent Vasil Tupurkovski from stating in a completely unfounded and unprincipled manner, "One republic lost; an unprincipled coalition won."

Stipe Suvar condemned the unjustifiability of such thinking that same evening in a talk with foreign journalists: "If there had been a coalition against one republic or another, would Tupurkovski have been near the top with 128 votes, and another member of the LCY CC Presidium from the Macedonian LC, Milan Pance, near the bottom of the scale with 86 votes? Also, would Radisa Gacic have received 125 votes, and Dusan Ckrebic 68?"

Challenging the right of the Central Committee to express confidence or a lack of confidence in its executive body and its members leads directly not only to the federalization of the LC, but also to the confederalization of the LC; it turns the LCY Presidium into a shaky coalition of provincial and republic leaderships. That is why it is surprising that the area that gained the sympathy of Yugoslav-oriented citizens in supporting a halt to the processes of LCY federalization is voicing positions that mean not only federalization but also confederalization. If we accepted such demands that each member of the Presidium of the LCY CC be exclusively and solely responsible to his base in the republic or province, and if we prevented his responsibility to the CC from being given concrete form, the system would very quickly become incapable of functioning.

Furthermore, the events in Kosovo Polje after the plenum, and especially the fact that the policy of presenting ultimatums to leaderships is being continued, as well as the fact that a large number of Serbs and Montenegrins, by turning their backs on Marko Orlandic, have actually turned their backs on the Yugoslav political leadership, praising only people from their own republic leadership, show that there are strong forces that are trying to continue the old policy of pressure, contrary to the policy adopted at the 17th plenum.

Finally, I want to pose a question and express my personal opinion. At the meeting of political scientists before the 17th session, sharp criticism was expressed of certain processes and tendencies that appeared after the 8th session of the Serbian LC CC. There were very harsh assessments and meticulous political science analyses. Many people, in their discussions, actually voiced a demand that it was necessary to reexamine certain aspects of that policy, or that it was necessary to show

exactly whether that policy for solving problems outside the system's institutions had expanded freedom and democracy, whether it had improved or made worse the situation in Kosovo and in Yugoslavia, and whether there was more or less fear for the future. Did it lead to strengthening fraternity and unity and confidence among nationalities, and did our peoples and nationalities like each other better from day to day? How much did that policy extend the front of the struggle against separatism, how much did it win over Albanians, and how much did it drive them to the other side?

Finally, one can add one new question to all of these: can the increasingly greater reservations toward that policy in all parts of Yugoslavia lead to a change in it, or to its becoming even stronger? In that context, the warning that fell upon the back of Dusan Ckrebic may be a factor that will lead to the elimination of certain extreme and unacceptable tendencies, or could be a detonator that will lead to even greater conflicts.

I agree with Aleksandar Tijanac when he says:

"All citizens of Yugoslavia, whether they are party members or not, must become accustomed again to a surprising circumstance: that this state and this party have a legally elected leadership that apparently is resolved to begin interfering in their affairs."

Precisely to the extent that the 17th session of the LCY CC contributed to strengthening the authority of the leadership and to making it more capable of fighting to solve problems within the system's institutions, and not through extraordinary measures and pressures, we will be closer to getting out of the crisis.

[Box, p 36]

Mirjana Kasapovic

I decided to say something about a phenomenon that seemed particularly significant to me as a political scientist. It is the constitution of right-wing radicalism as an ideological and political position and practice in contemporary Yugoslav society, which is appearing today as Serbian right-wing radicalism, but that does not mean that it has not appeared and will not appear with some other national orientation. Before I say something about the elements of right-wing radicalism in contemporary Serbian nationalism, I ought to explain the concepts that I am using. In the first place, I do not view contemporary Serbian nationalism as a unified sociopolitical phenomenon, but rather think that several positions can be distinguished within it (...) and right-wing radicalism would only be one of those positions. In the second place, by right-wing radicalism I mean the antidemocratic ideological/political position and practice that call into question the democratic system and the democratic method of legitimizing authority, in the name of some higher right. In this case the higher right has been found, obviously, in threatening the existence of one nation and

its national state in a specific historical area. The fundamental starting point of right-wing radicalism—the demand for the unconditional and instant change of the state and political system from an exclusive national standpoint—is derived from this. I see the first element of right-wing radicalism in the fundamental political demand for the reconstruction of the Serbian national state. According to right-wing radicalism, the renewed Serbian state should be primarily an instrument, a decisive instrument for resolving a crucial historical and political question—the relationship of two national communities, Albanian and Serbian, in part of Yugoslavia's state territory, a relationship that has been understood in an uncomfortably literal way as friend or enemy. In accordance with this, the Serbian state wants a final resolution of the Albanian question in Kosovo through a quite familiar set of measures... I see the second element of right-wing radicalism in the understanding of the fundamental condition for reconstruction of the national state, and that is the creation of an emergency situation in Yugoslavia, which is derived from that logic as a consequence of the view that the Serbian state cannot be renewed in a normal situation because of institutional obstructions in the fragmented Serbian state itself within the Yugoslav federation. That emergency situation implies the suspension of legitimate state and political institutions, and the formation of new centers for power and decisionmaking by popular plebiscite, referendum, partial or complete military administration, emergency elections, etc. The essential thing in this analysis is that it is felt that the institutional obstructions arose as a consequence of the activity of a long-standing and pragmatic anti-Serbian coalition of some of the federal units, with the long-standing coalition formed along the Zagreb-Ljubljana axis and sublimating the historical and strategic opposition of West to East, or in the more recent terminology, of North to South, and the pragmatic coalition is joined by the provinces; it is actually vitally interested in preserving the existing distribution of political forces, in which Serbia is completely rendered powerless and fragmented. Naturally, the destruction of those obstructions is planned through the mobilization of all Serbs throughout Yugoslavia; an essential element in this is the call for Serbs in other federal units to refuse obedience and loyalty, one might say arbitrarily, to those federal units, in the name of the general national interest. All of that philosophy of the emergency situation is based upon an exclusive national standpoint that is solely authoritative for assessing all relationships in the state. All relations within Yugoslavia have been and have remained national ones. All subjects and objects of social life are nations and national groups, and everything is derived from what is national and can be reduced to it. Furthermore, one's own nation is not viewed as the starting point for determining only one national policy, but all of them as well—i.e., both the Croatian and Serbian and Albanian policies. In the third place, mass demonstrations are viewed as the means of producing an emergency situation. The fourth element is the structuring of a new field of political action, in a totalitarian manner on the basis of people-regime, with

the people united, and the regime divided on the inside and on the outside. That division of the regime is structured in such a way that the enemies and allies of the people are distinguished, with the ally naturally being the national establishment, the national party, its leadership and leader, while the enemies are mostly located in other national areas. I think that such a structure of the political field is a throwback to the Stalinist type of authority in Yugoslavia, but that it is a contribution to neo-Stalinization of the Yugoslav system, because, for instance, the people do not turn to the system but to the party, not to the Assembly but to the central committee, not to the government but to the party leadership; it requests that the party resolve the state crisis in the CC. The fifth element is a frightening reduction of social complexity in which... all relationships become extremely clear, lucid, and transparent. This seems to me to be the most frightening point in the current Yugoslav situation, because all of society has been portrayed as a chessboard, on which a move by any collective entity or a member of it, whether an individual or a group, is predictable, well-monitored, and promptly assessed. Consequently, in contrast to modern social states, where the general opaqueness is growing, in Yugoslavia everything has become transparent; all relationships have been simplified, and they are encompassed by fighting slogans.

[Box, pp 36, 37]

Branko Horvat

How do I envision the scenario for a two-party system in Yugoslavia, and how can it function? We have one fortunate circumstance, that we already have those two parties, and that circumstance should be exploited. These are the LCY and the Socialist Alliance. There is no doubt at all that the LCY stands for socialist positions, and I assume that there is no doubt that the Socialist Alliance also stands for socialist positions. Accordingly, this does not have to do with any sort of counterrevolution, bourgeois parties, or I don't know what else. We are remaining within the framework of socialism. I likewise think that there is no need for our two parties to change their statutes, except in one single point: no member of the Party can be a member of the other party at the same time. If that happened, then we would have to leave it to the dynamics of party life to arrange everything else. Nothing should be planned out in advance here. What would most likely happen, and what is happening in other countries as well, is the crystallization of the positions of the party, not socialist and antisocialist, but reformist and conservative positions within socialism. If the reformists were in power, they would use this to introduce a mountain of new reforms; the people would get angry and remove them from power, and then the conservatives would have the job of conserving it. Thus, step by step, we could approach socialism, which, as you know, we are not living in today. If one of those two parties were in power, then, instead of a utopian separation of party from state—which cannot function—on the

contrary, we should seek to have the party absolutely responsible for the state administration. If the state does not do what the party does, it is responsible for that, and not some imaginary leadership outside the party. Within each of those parties various factions should be permitted, or rather, they will form themselves, and that formation of factions is a transition to what I assume all of us see to be a modern society, a political system of the 21st century, which is appropriate for socialism, namely, a transition to partyless pluralism. If a sufficient number of people could absorb these ideas, and here I am thinking primarily of intellectual workers, I do not see why this would not be carried out. If it were carried out, we could count on a long-term political stabilization of the country, and if that happened, then we economists can guarantee rapid economic development.

[Box, p 37]

Svetlo Stojanovic

I would like to start with a few trivial observations. The first trivial observation is that we have more than first-rate problems but only a third-rate leadership for the country, at all levels. That leadership has consisted and still consists of people who were ordinary executives in the 1970's and do not have any sort of vision or capability of being anything other than ordinary executives, and now they are in a situation, to our misfortune, in which they have to have some sort of vision and offer some sort of program. In the second place, the alluring ease of governing in Yugoslavia has ended. For a long time it was fairly easy to govern, and so there was a temptation; people imagined that things could continue that way. In the third place, we are faced with the task of learning democracy, including the masses of the people. In my opinion, threats to the people, emergency measures, a state of emergency, etc., do not fit and could by no means fit into that study of democracy. In the fourth place—let me put this in the form of a question that is again trivial. The trivial question is how the profiles of our politicians would look if we took their positions on key social problems during the last 15 years and compared them with each other? I won't illustrate this with other examples, just with their attitude toward the crisis—when the crisis began, when people called attention to the fact that we were already in a crisis, how they opposed the crisis, whether they thought that the problem could be solved by renaming things, by terminological artifices, etc. I must say that this is not any sort of privilege of politicians, however. Among other things, because of a number of my colleagues in Belgrade, I would have to say that an anthology of works by certain colleagues who expressed their positions on the 1974 Constitution, the Law on Associated Labor (ZUR), the contractual economy, etc., and their current works on the same things would look catastrophic. In other words, many people in the country, both among politicians and among intellectuals, would have to be somewhat quieter... With respect to political leadership, we obviously need elections—in the party, for party people, and in the

state for the state leadership. I propose at least three criteria for elections. The first is the attitude to date toward the crisis: what attitude you took both in explicit positions and in practice toward the crisis. In the second place, the ability to offer quite specific action programs. And the third is something—I am not saying this as a joke—the criterion of mental stability. In America, when someone runs for president, vice president, and high positions, doctors express their positions on his health, including, God forbid, the mental health of certain people. What we need least in this situation is hysterics, panickers, and paranoids.

Revelation in Belgrade

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[Article by Savo Krzavac: "A Poisoned Broadcast"]

[Text] When a television center unilaterally and without consideration, before a broadcast, drops out of its program an agreed-upon broadcast that is carried by all or several of the television centers in the country, it can be either an act of willfulness, striking a blow at the unity of the Yugoslav information network and the editorial policy of JRT [Yugoslav Radio and Television], or protection of that same program and that policy from contents that can inflict political and other damage upon our society. Such a precedent was created by the editorial office of Belgrade Television—it removed from its program (at 22:10 on 24 October) a broadcast from Zagreb Television, "On the Overall Level," which also had the title "Looking Soberly at Yugoslavia." We asked officials at Belgrade Television to explain their action to us. "First of all, take a look at the broadcast, and then we will talk." We watched it, and we had something to hear and to see.

The broadcast was actually a one-and-a-half-hour selection from the communique from the participants in a one-day symposium (on 13 October 1988) at the Faculty of Political Sciences [FPN] in Zagreb. It was a meeting of high-sounding academic titles and selected names, many of which we frequently encounter in those media that have a coordinated attitude toward the Yugoslav social crisis and the ways to get out of it, and particularly toward the campaign being conducted in the Serbian Socialist Republic [SR] and the ideas that come from that republic. These were (in order of appearance): Prof Ivan Siber, who chaired the symposium, Prof Zdravko Tomac, Prof Eugen Pusic, Prof Dimitrije Mircic, Prof Branko Horvat, Prof Adolf Bibic, Prof Ivica Mastruko, Prof Smiljko Sokol, Prof Svetozar Stojanovic, Prof Drazan Kalodjera, Prof Dusan Bilandzic, Prof Marjan Korosic, Master Mirjana Kasapovic, Prof Branko Caratan, Prof Davor Rodin, Prof Ivan Prpic, Prof Dimitrije Rupel, and Prof Zvonko Lerotic.

The 'Gallic Method' of Doctor Tomac

Prof Tomac is one of those scholars who is eager to respond and frequently appears in those media (DANAS, Novi Sad Television until the fall of the Vojvodina leadership, and so forth), from whose columns and screens he gives lectures, instructs, and leads to the right path the leadership of the Serbian SR, and warns other areas of the dangers threatening them from this republic. In a flowery style, and with a tone more suited to some rally than to a meeting of scholars, with obvious allusions to events in Serbia, Dr Tomac recalled the "Gallic methods" (a noose around the neck for heresy and different views) that are being applied in the political life of Yugoslavia.

He spoke in the same style about two alternatives for resolving the Yugoslav crisis: 1) a democratic one, and 2) a state of emergency, with a subtext locating the first in the northern parts of the country and the second in the southern ones. Along with the rational and noteworthy ideas and views that could be expected from this title and name, Dr Tomac's statement, in addition to pronounced pessimism (which was a fundamental characteristic of most of the participants), also contained amazing constructions that were based on unintelligible "arguments" and illustrations. "The past is more and more suppressing the future," Dr Tomac stated, "so that we are more and more threatened by the danger of the dead burying the living. The guardians of tradition are reviving national myths; the advocates of national reconciliation and of irrational homogenization, who turn toward the past, who shout 'We want the gusle [Yugoslav one-stringed folk fiddle]' and the tambura [stringed instrument], who carry drums, national symbols and emblems—are from day to day increasingly blocking the necessary reforms and the modernization of Yugoslavia." At least now we know, since Dr Tomac has shown us, who the main obstructors of the reforms are! It is not the bad system or conservative and bureaucratic forces in it, but rather those who seek the gusle!

The Way Out in a Two-Party System

Prof Eugen Pusic, from his scholarly elevation, characterized the events in Serbia in two words: It is a Bonapartist coup! He called the protest of the Rakovica workers "use of the workers." He briefly explained how "leaderism and the leader image are being systematically built." He spoke briefly and clearly, but not in the way that the discussion was announced by Dr Siber: "openly and tolerantly... based on the arguments of scientific analysis." That was not done by the scholar Pusic, for whom the most important thing was to say, but not to prove, that the "main focus of the Bonapartist attack is against the autonomy of the republics and provinces."

Prof Branko Horvat, in his speech, dealt with the issue of party-state relations, the role of the intelligentsia in society, and, of course, the events in Serbia. "As intellectuals, we should participate fully in political processes

in all political circles, including the street gatherings that are available to us in order to fight," Horvat stated. "I think that a tremendous mistake has been made by intellectuals in this country, who have always been hidden behind someone like some sort of advisors, instead of coming out into the light of day as an independent political force." Replying to Tomac, Horvat felt that it was not possible to separate the party from the state, "impossible for psychological, sociological, and organizational reasons... it is a utopian demand... The party was created in order to direct the state." He stated that there had always been insistence upon that separation, which was not possible to carry out, and for that reason "we have a situation in which no one bears responsibility." In that context, he recalled that the recent address to the nation by President of the SFRY Presidency Raif Dizdarevic, "the head of the Yugoslav state, who has been constantly telling someone that he should do something, as if he were not at the head of that state that is precisely the one who ought to do it."

According to Horvat, a party that is in power and does not know how to lead the state "should give up power." He emphasized the necessity of "control of the party," whose monopoly should also be taken away. That can be accomplished, according to Horvat, through political competition from another party, "at least two parties," as he said. In fact, he advocated a two-party system, because we already have a multiparty system. "If you look at the Serbian and Slovene parties," he said, "they are incomparably more different from each other than the Democrats and Republicans in America. If you look at the debates between POLITIKA and DELO, then the attacks by the party press, for instance, in England, some DAILY TELEGRAPH against some Labor paper—that is a friendly chat compared to these awful terms and terminology that are used here. Accordingly, we have a multiparty system; our problem is not the creation of a multiparty system, but compressing it into a two-party system that would integrate the country."

Dr Horvat assessed the situation in Serbia in these words: "We now have a nationalist movement in Serbia that has gone considerably beyond the Maspok [Mass Movement] in Croatia, in all of its elements; I will not go into that further..." He said this without a "scientific analysis" and without any argument that would support his assertion, at least in answer to the following questions: has anyone sought the separation of Serbia from Yugoslavia, separate even in the UN, has anyone in Serbia sought a separate army, a Serbian army, etc., etc.? He considered "I will not go into that further" to be sufficient.

Prof Adolf Bibic also favors a multiparty system. To him, the question is not "whether we should have political pluralism, but what kind of political pluralism."

During the lively but more or less one-sided discussion, the chairman, Dr Siber, asked the participants whether they glimpsed the origins of Bonapartism! There was no answer, however.

Factions in the Party

Prof Ivica Mastruko was somewhat harsher in this broadcast, perhaps carried away by the atmosphere prevalent at the symposium, than we are accustomed to hear, just as he was recently on Novi Sad Television, where he was more of a Christian ("If someone throws a stone at you, throw bread at him") than a scholar/politician. He thinks that "the democratic centralism on which there has been so much insistence recently as a principle for the activity of the party in our country has no more chance of being effective." In his opinion, "one of the possible ways out is the legalization of factions within the party." He drew a beautiful comparison between that and "what is happening in Catholicism," where different orders within the church function wonderfully. There is an idea for the forthcoming reform of the LCY!

Smiljko Sokol was the only participant who had any sort of consideration and feeling for what is happening in Serbia. "Last Thursday and Friday," he said, "I was at a conference at the Law Faculty in Belgrade on changes to the Serbian Constitution, at which very convincing arguments were presented from the perspective of that area... really, that model defines the provinces as hybrids, as independent agents of decisionmaking at the federal level, as reflected by a constitutional phrase (which is not correct from the standpoint of constitutional law) to the effect that they are constituent elements of the federation and that they are an integral part of Serbia."

Society Without Prospects

Dusan Bilandzic began with a few rejoinders, among other things by disagreeing with Branko Horvat that the "1974 Constitution was the product of the Maspok," asserting that it had been a project of Kardelj's since 1966.

"Current political life in Yugoslavia," said Bilandzic, "or current political processes in Yugoslavia, are a continuation of the conflict from the time of the country's creation. They are a continuation of Yugoslavia's permanent interwar crisis; they are a continuation of the dreadful balance of conflicts during the maelstrom of World War II; they are a continuation of several severe crises in the postwar socialist era. All of this together supports the thesis that this is a country that is very conflict-prone and on whose soil it is difficult to create a rational system."

After this pessimistic conclusion, which was based on several negative experiences from the past, and, one might say, even more on the present situation and relations in Yugoslavia, Bilandzic, obviously impressed by everything that is happening today, abandoned himself to complete hopelessness, which he expressed in this assertion:

"Conflict as an essential characteristic of Yugoslavia," he said, "is also demonstrated by the historical fact that it has not been able to stabilize itself for normal self-perpetuation either as a bourgeois society, or as a system of state socialism, nor did it succeed with the self-management project, and so it has now begun to lose prospects according to all parameters, criteria, and standards of a modern civilized society. Historical experience thus raises the question of whether it is even possible to create a modern rational plan in this region."

Contradicting even himself with some assertions, Prof Bilandzic also presented some assessments that are firmly based in our political and social practice. Among them is the assertion that in our country "rigid blocs for this time and political coalitions for a mutual settling of accounts are being created, with the purpose of imposing one direction or another for our social development." There is also his thesis about "possible pressure" for the "immediate initiation of the way out of a system that has for a long time now suppressed the creativity of millions of people." He thinks that this does not only involve positive pressure (that is how we understood him) through rallies, but also "from those people who are keeping quiet today, since the institutions and the people in them, the proponents and personifiers of that system in the leaderships, are not capable of bringing about not only the desirable optimum way out, but even the one that was agreed upon nearly 40 years ago." He draws a reasonable conclusion from this: "It is consequently necessary to change immediately both the system and the incompetent people, the proponents of that system; there are very, very many such people." In his opinion, "It is an organic defect of those holding a monopoly of power that it is very difficult for them to decide on reforms, especially solely under pressure in the form of a defeat, crises, nationwide dissatisfaction, or some other factor."

Prof Korosic was also overcome by dark forebodings. "Our destiny is to live under the tyranny of the status quo... The vehicle for carrying out changes in Yugoslavia is still not discernible, and consequently there will not be any changes." He said—and here he is right—that there had been no examples in history of anyone's voluntarily giving up power. It is difficult to understand the conclusion based on that assertion, however. "Suicide is an unnatural act; that is why all the reforms in socialism have failed and for that reason all reforms in the future will fail." (?)

The Butcher Knife of Madame Kasapovic

Mirjana Kasapovic was the only one with a master's degree among the professors and doctors of science, but from what she said about Serbia and the Serbs at this meeting of respected scholars, she can go to Tirana for her doctoral diploma tomorrow. With her butcher knife, she cut Serbia from top to bottom and from side to side, with characterizations to make even Serbs abhor and fear Serbia.

To Mirjana Kasapovic, the events and campaigns being conducted in Serbia are "the constitution of right-wing radicalism," which, if we replace this term with its synonym, would mean the constitution of neo-Fascism! "I see the first element of right-wing radicalism in the fundamental political demand for the reconstruction of the Serbian national state... Accordingly, the Serbian state wants a final resolution of the Albanian question in Kosovo, through a quite familiar set of measures, from use of the ethnic structure of Kosovo (she was probably thinking of the mass emigration and the driving of Albanians from that province—Savo Krzavac) as a historical guarantee of its Serbian and Yugoslav identity, to the institution of a special legal status in Kosovo."

In this "scientific" outpouring of hatred and poison that exudes from each sentence from Kasapovic, ambiguities and nonsense come one after another: "I see the second element of right-wing radicalism in the understanding of the fundamental condition for the reconstruction of the national state...the Serbian state cannot be renewed in a normal situation; ...the destruction of those obstructions is planned through the mobilization of all Serbs throughout Yugoslavia; an essential element in this is the call for Serbs in other federal units to refuse obedience, one might say arbitrarily, to those political communities... One cannot rule out the possibility that the lower social strata and the higher social classes might appear as the base for totalitarian movements... A contribution to the neo-Stalinization of the system in Yugoslavia... And in this I see the essential conservative potential of that phenomenon of right-wing radicalism, which, I state, interests me as a Serbian one, and I was glad because it was appearing as a Serbian one..." God preserve us—and this is called science!

Svetozar Stojanovic, who has not been a favorite of those in power either in Serbia or in Yugoslavia for more than two decades, was in the unenviable position of defending Serbia. Since he expressed surprise that there was no one else at the meeting from Serbia besides himself, he presented several interesting theses, among which was the thesis that unitarism in our country is not national but rather political. He supported his assertion with the practice in the past in which the Yugoslav party and state leadership decided on development and relations in the country. "We had one leader, a strong charismatic leader, and one Politburo around him, where the decisions were made. And the organs, the federal ones and those in the republics and provinces, were, to put it very simply, the executive organs of that political center." He also felt that the way out was in "specific forms of political pluralism."

Branko Caratan associated himself with the group of participants in the discussion with marked intolerance toward Serbia and everything happening in that republic. Here is how he sees the Serbian proposals for crushing counterrevolution in Kosovo. "The escalation of Albanian nationalism, which actually is a nation-building program, the well-known program of Kosovo—

republic,' is likewise being countered by an etatist response: 'A strong Serbia—a strong Yugoslavia!' Complete equality—of what the Albanian separatists want and what the Serbian leadership wants?! Congratulations!

Dimitrije Rupel, one might say, was still mild toward Serbia. Advocating a consensus, instead of majority rule, as he said, he attacked the movements "which were being conducted by the Serbian leadership, in Montenegro, in Kosovo, etc." (!?)

Prof Lerotic did not even conceal his anti-Serbian attitude. He felt that everything went wrong "after Slobodan Milosevic's speech in Kosovo." "It is quite certain that the leading forces collided with an impenetrable barrier and drew back." He said that neocentralism, neonationalism, and neo-Bolshevism were the basic characteristics of that step backward and the return to the past. "We are going back to the situation that existed prior to 1966" (the time before Brioni, as the separatists in Kosovo would say in connection with the amendments to the Serbian Constitution).

CZECHOSLOVAKIA

CSSR-CEMA Significance of Beer, Hops Exports 24000010b Prague SVET HOSPODARSTVI in Czech 1 Sep 88 p 2

[Article: "Czechoslovak External Relations; CSSR-CEMA. The Significance of Exports of Beer and Brewing Ingredients"]

[Text] Czechoslovak exports of beer and brewing ingredients play a significant role in satisfying the commercial needs of CEMA member countries and is an item which requires our attention in setting up a basic export profile of the Czechoslovak comestibles subcomplex with respect the CEMA community.

Until the year 2000 we are anticipating a significant increase in hops production in the implementation of two development programs. The first assumes maintaining standing composition of fine aromatic hops, assured deliveries of homogeneous commercial batches along with the parallel application of measures to intensify exports and the planned growth of hops acreage. In the second program (while maintaining the traditional varieties) we are anticipating expanding the cultivation of new varieties with a higher content of valuable brewing ingredients. (It is important to add, from a commercial

perspective that hops grown in the CSSR belong exclusively to the family of so-called fine aromatic hops which make up 100 percent of the hops grown on Czechoslovak fields and that these hops are grown abroad only in the FRG, and there on only about 2,000 hectares).

Domestic Market Factors

The long-term trend of Czechoslovak agricultural exports to CEMA member countries is downward. Should the quality of this export fail to reach desirable levels, it will be necessary to optimize the export structure with respect to CEMA territory by a reduction of those exchange operations that are inefficient in the long run and a parallel increase in the quantity of the economically more suitable agricultural exports.

Analysis of foreign trade cooperation between the Czechoslovak foodstuffs complex and CEMA member countries clearly focuses on the exports with higher levels of utility. The proposed long-term export profile rests to a significant degree in the exports of alcoholic beverages, especially beer and brewing ingredients for its production, cutisin, and seed and seedlings, i.e. on the relatively most effective in aggregates. In the last year of the study (see table 1), but in the previous decade as well, their contribution to overall Czechoslovak agricultural exports varied little and in the 10 years studied it never fell below 30 percent of total agricultural exports to CEMA (see table 2).

Table 1: Share of overall Czechoslovak agricultural exports to individual CEMA countries represented by supporting export aggregates (in percent)

	BPR	HPR	GDR	PPR	RSR	USSR
Alcoholic beverages overall (including beer)	29.45	63.80	29.18	24.95	1.44	23.89
Cutisin (UI)	22.86	5.63	19.81	13.79	25.16	4.58
Seeds and seedlings	8.59	1.24	4.90	2.74	38.97	4.98
Beer	29.45	53.57	7.16	23.33	1.44	23.74
Malt	—	2.55	—	—	—	11.73
Hops	—	10.08	9.32	—	—	—
Beer and brewing ingredient overall	29.45	66.20	16.48	23.33	1.44	35.47

Table 2: Ratio of overall Czechoslovak agricultural exports to CEMA countries represented by Czechoslovak exports of beer and brewing ingredients (in percent)

	Five-Year Plan 1976/80	Five-Year Plan 1981/85	1986
BPR	18.6	19.9	29.4
HPR	55.7	70.4	66.2
GDR	20.7	17.0	18.5
PPR	15.3	13.4	23.3
RSR	48.6	41.2	1.4
USSR	43.4	24.7	35.5
CEMA overall	39.3	30.9	40.0

The significance of beer and brewing ingredients in creating a production profile with respect to CEMA can be seen from the contribution of this aggregate profile of overall Czechoslovak exports to individual CEMA countries: The export of beer to the territories studied is a long-term economically advantageous item, even though it exhibits a definite tendency toward a declining measure of utility. The level of economic utility of beer exports, understandably, is not the same for all brands (breweries) nor is it even the same for both basic forms of packaging (export by kegs or bottles), and it is not favorable for Czechoslovak bottled beer exports.

From the perspective of external factors—i.e. the prospects for beer sales to CEMA markets—a favorable situation is emerging because absorptive capacity, relative to the current low level of beer consumption, creates

a good marketing climate for Czechoslovak surpluses. This export item will remain a good long-term prospect also because it is a product manufactured exclusively from domestic raw materials, whose qualitative parameters and utility in foreign markets remain traditionally high. One cannot ignore the reality that our dominant trading partner, the Soviet Union, consumes a substantial quantity of Czechoslovak beer and with the HPR (Hungarian People's Republic) accounts for over 4/5 of overall Czechoslovak beer exports to CEMA countries. Whereas all other exported goods, classified according to the estimated utility of the Czechoslovak export mix to CEMA countries, exhibit less favorable parameters of utility, it is an overall indicator of the utility of agricultural export to CEMA markets defined by the percentage representation of these attractive items.

We include, however, Czechoslovak hops exports in the class of significant exports to CEMA of which the economic utility did not attain the status of effective trade, especially in the five years under consideration. Although hops can be classified among goods with markedly variable utility with positive and negative oscillations along the limit of effective export—it can be classed as an export with good prospects. Its quality and yield, its commercial and technological characteristics, the traditions and extent of its cultivation with a long standing orientation toward export, its ties to other brewing products, its significance as a basic ingredient in the production of beer and, finally, the traditionally high contribution to Czechoslovak agricultural export to CEMA make hops an irreplaceable export commodity.

A situation similar to that of hops is held in Czechoslovak exports to CEMA by barley malt, although the indicators of the utility of this export are less favorable. The Czechoslovak trade in malt is substantially less diversified, with exports directed in roughly equal proportions to the Soviet Union and Cuba. Among the exports in this line of goods, it can be said that the overall long range efficiency of malt is low; that it does not attain the level of effective trade. In spite of this, however, it cannot be written off as an export lacking in promise in the CEMA market.

Malt, representing not quite 11 percent of overall agricultural exports to CEMA countries, is, after beer (27 percent in 1986), the most important commodity in terms of value, in this territorial relation, since the third most significant commodity, i.e. hops, comprises roughly 5 percent of exports.

External Market Factors

If we want to attempt an overall characterization of the commercially demanding situation on the world markets with respect to the regional market of CEMA countries,

it is important to emphasize that there are no uniform, fully verifiable data with which one could use to analyze the production and foreign trade position of the studied products in key territorial relations. Primary source data must be taken from the statistics of the FAO, which collects data on only one of the commodities under consideration here, hops, and those are frequently based on estimates, while foreign trade data exist for all the products under consideration, i.e. hops, malt and beer. Even international statistical abstracts, moreover, often make do with estimates and the discrepancies between these officially recognized figures and the data drawn from the statistics produced by particular nations, in some cases derived from different source data, in many cases reach sizeable proportions.

It can be said of the last six years under consideration that there has been a definite trend of declining worldwide hops harvests (see table 3), a trend which stems to a large extent from the significant variability of harvest and only to some extent from a decline in hops acreage.

The CSSR is one of the significant world producers and exporters of hops. Its annual average per capita production of 0.85 kilograms is the highest. Along with the FRG, USA, USSR and Great Britain, Czechoslovakia is an important world exporter. As the tables above indicate, the CSSR's share of the world's hops acreage is roughly 14 percent, Czechoslovakia is the source of more than one sixth of world hop exports, and under the last full 5-year plan, 1981-1985, roughly two thirds of total Czechoslovak production went to export.

In the long run two fifths to over two thirds of Czechoslovak hops exports are directed to CEMA countries. A large quantity, however, is received by developed capitalist countries (Belgium, Japan, FRG, USA, France, Austria, et al.). During the 7th 5-year plan, the largest share of hops sent to CEMA countries went to the USSR, Cuba, Hungary and the GDR. Whether in terms of quantity or value (see table 3) more than 50 percent of deliveries of hops made to CEMA countries during the period of the 7th 5-year plan went to the Soviet market, one seventh to Cuban and Hungarian markets and one tenth to the GDR.

World malt trade is marked by an obvious stagnation in the roughly similar but inexpressive dynamism of export activity (both in CEMA member countries and Europe as a whole). The European continent continues to be a net exporter of malt and accounts for between 73 and 80 percent of world market. In the CEMA community, CSSR is by far the greatest exporter, responsible for more than 80 percent of CEMA malt exports. The GDR is the second most important exporter, with a substantially smaller volume (see table 3).

Table 3: Production and foreign trade in brewing ingredients and beer, worldwide, in Europe, and in CEMA member countries in 1986 (in thousands of tons):

	Hops			Malt		Beer		
	Production	Import	Export	Import	Export	Production	Import	Export
World total	110.6	40.0	39.7	2727.0	2729.9	101,591.7	2934.0	3130.5
European total	69.4	19.5	31.1	879.7	2200.2	43,765.9	1432.5	2289.9
CEMA total	30.2	2.5	8.2	60.1	288.7	14,768.5	287.3	288.7
BPR	0.7	0.7				900.6	2.3	3.5
HPR	0.6	0.7		5.0	0.7	922.2	177.2	0.1
GDR	3.4	0.4			30.0	2,430.0	2.0	60.0
PPR	2.9		0.7	3.2	3.0	1,138.0	8.0	25.0
RSR	0.3					1,100.0	10.0	
USSR	12.0			51.9		6,000.0	87.5	
CSSR	10.3	0.6[*]	7.5		255.0	2,278.3	0.3	200.1

Source: FAO Trade Yearbook

*imports of high-content hops

Malt of Czechoslovak provenance has been sent in recent years to CEMA and the capitalist countries in roughly equal quantities while hops exported to the developed capitalist countries comprise only one-third of the total exports.

Malt is a traditional and significant export in the Czechoslovak agro-foodstuffs complex. In the recent past Czechoslovakia was the world's largest exporter and the quality of Czechoslovak malt set the world standard. The retreat from quality has meant a permanent weakening of the Czechoslovak position on the market, which we have thus far been unable to arrest. Currently Czechoslovak malt exports stand in fifth place behind France, Belgium, the FRG and Netherlands and many countries are approaching our level.

The principle cause of stagnation with respect to the quantitative decline of Czechoslovak malt exports in recent years has been the sharp increase in beer production in the CSSR with the associated effects on the demand for malt and with direct consequences on the size of the export receivables.

While world beer production (see table 3) has increased in recent years by no more than 1 percent annually, a substantially greater dynamism has characterized the world foreign beer trade. That is why the share of world production represented by world exports grew, in the six years under consideration, from 2.5 percent to 3.1 percent. European countries account for more than 40 percent of world beer production in which CEMA countries participate with a stabilized 15 percent contribution. In the CEMA context, the long-term greatest beer producer is the Soviet Union. The GDR and CSSR are also important brewers, each contributing independently one-sixth of the overall CEMA beer production. If we consider the stabilized level of beer production in CEMA countries, then this conclusion does not apply to the development of Hungary's brewing capacity (growth

index 118), but especially to Bulgarian breweries (index 166), where an unmistakably more significant share of domestic production is destined for internal consumption. We should not neglect to note the relatively low level of beer consumption in these countries compared with traditional beer consumers (see table 4).

The traditional carrier of the foreign beer trade is Europe with roughly three-fourths of world beer exports with their strong export orientation. The CEMA society, especially as a result of the proexport orientation of brewing in the CSSR, is generally an exporter of beer with a substantially smaller quantitative difference between export and import totals.

Among the CEMA society countries, the CSSR is by far the dominant exporter both over the long run and in the recent years of declining exports. The CSSR accounts for roughly 70 percent of overall CEMA beer exports, the GDR for roughly one fifth, and Poland accounts for the remainder. Hungary's import demand makes up roughly three fifths of long term CEMA beer imports and not quite one-third of imports go to the Soviet market; imports of other CEMA countries are of little significance.

The CSSR's position as a traditional beer exporter cannot be compared with other CEMA member countries, since (with the exception of the GDR) in all other CEMA countries, the brewing of beer has not been accorded much importance until recent decades and beer consumption in these countries has not played such a significant role. There is undoubtedly a real opportunity to expand beer sales to CEMA member states, but we cannot overlook the efforts undertaken by the majority of these countries to enhance their own production capability. Beer is an especially advantageous trade article for the CSSR because it is closely tied to its resource base, rooted in high quality hops and traditionally high quality malt.

If we consider the importance of particular CEMA countries from the perspective of Czechoslovak beer sales, then we can say that the Soviet and Hungarian relations are the key ones since, over the long run, these two countries account for roughly 90 percent of overall Czechoslovak beer sales to CEMA countries. Trade with the other countries remains stable on the whole, even where it is insignificant (except for the RSR, where sales have practically stopped).

In addition to these two traditional importers, there are definite prospects in other areas. Taking advantage of these prospects, even where it confronts dynamic developments in domestic production is, above all, a matter of achieving an adequate level of efficient exports, i.e., of putting a pro-export cast on the development of the brewing industry.

In the context of the specialized aim of increasing Czechoslovak exports in the area of beer and brewing ingredients, including the goal of improving the trade coordination responsibility for expanding beer exports to CEMA countries—under binding treaties of cooperation by all interested countries—this suggestion is tied to the resolution of many complicated problems of a fundamental character with far-reaching and unforeseeable consequences: It is necessary to keep clear, who is the holder of considered technologies (or the know-how), what his role is, and what is the significance of a proposed technological process from the perspective of the final result. Acquiring manufacturing technology and transferring it to the users must be resolved in commercial agreements in order not to suffer losses on account of inadequate defrayments or disagreements from the view of stated productive capacity. Shortfalls and mistakes in the transfer of know-how happen most often because

much of the built-up capacity does not meet the required parameters for a long time after the start-up. Similarly, machines which achieve the stated outputs in tests, often become a source of problems in actual operation.

If the above-mentioned problems (and many other problems as well) are not quickly resolved, Czechoslovak beer exports to CEMA countries could be seriously threatened in the not too distant future. The qualitative challenges and demands on supplies of goods are quickly becoming equally important in the world and in European markets and we cannot depend on trade conditions in CEMA markets becoming less demanding into the future. We cannot with impunity continue our decline in meeting qualitative demands for beer with a longer shelf-life, in fulfilling required delivery schedules, in offering a variety of packaging in response to the market demand, and in providing inadequate poor quality adjustments, in comparison to foreign competition. An inconsequent resolution of problems, whether manufacturing, systemic, or commercial, invariably means only weakening of the foreign exchange income.

However, the acceptance of any agreements by Czechoslovakia must be contingent on special long-term agreements inarguably binding on all parties involved. Each additional specific change would necessarily have to be described in detail during the set-up stage, using forecast studies and consideration of the conceptual goals of the other CEMA countries. Only a precise determination of the demand and an obligatory shipment schedule agreed upon by all parties would place the entire process of forming this particular program on a realistic basis.

Photo Caption

In addition to the final product, Czechoslovakia is also a significant exporter of brewing equipment.

Table 4: Beer consumption in selected countries (in liters per capita)¹

	1976	1983	1984	1985	Index 1985/1983
FRG	150.9	148.6	144.4	145.5	97.9
GDR	124.5	146.7	142.2	141.6	96.5
CSSR	139.4	147.8	140.1	130.8	88.5
Denmark	118.7	134.0	129.7	121.3	90.5
Belgium	145.0	128.0	126.3	121.0	44.5
Austria	102.0	109.4	107.4	111.6	102.0
Great Britain	118.9	110.5	110.0	108.9	98.6
HPR	77.0	88.8	87.1	92.4	104.0
Netherlands	83.8	87.5	83.4	84.5	96.6
BPR	59.6	61.2	60.0	60.0	98.0
RSR	35.0	45.0	—	—	—
PPR	34.9	27.5	26.6	29.5	105.4
USSR (estimate)	23.2	24.3	24.1	24.0	98.8

Source: Produktdrap voor Desistilleerde Dranken 1986

Footnote 1: Capitalist countries with the highest consumption were chosen; countries selected according to the level of consumption in 1985, including CEMA member countries.

Two-Stage Management System Explained
24000010d Prague RUDE PRAVO in Czech
15 Sep 88 p 5

[Text] Under the new economic conditions manufacturing organizations will be controlled directly without branch intermediaries—i.e. on the basis of the two-step management principle. These are not isolated changes but the creation of more demanding economic, organizational and legal conditions under which the central agencies will meet their new tasks. Intermediate links of management (i.e. general directorates of the economic production units) are being abolished and the enterprise sector is gaining greater authority and responsibility in deciding on its development and on the means of meeting societal demands.

The transition to a two-step management system will mean more than merely eliminating the economic production units. It is a part of comprehensive restructuring and of making the production factors, research and development, and distribution more efficient. Under no circumstances is this a matter of weakening the center and creating absolute freedom of activity in the enterprise sector which, in certain cases, could lead to unrestrained development and market imbalances. The needs of society are decisive and it is now up to the manufacturing organizations to find the best and most effective means of satisfying them. The center will create the conditions for this.

Each intermediate link between the center and the enterprise is a potential source of ineffective interventions in the economic process, and a subsequent diffusion of responsibility for the results achieved. It also creates the danger of excessive administration, along with reports and statistics not essential to the progress of the national economy. At first glance it seems illogical to reduce the number of central agency employees while abolishing their "ancillary agencies"—the intermediate management links. But it is the transition from a directive system of management with excessive administration which will make possible the elimination of redundant administration and permit new objectives to be accomplished with less of an apparatus.

Individual ministries will act as individual links in the unified societal center which will assure the balance and proportionality of economic development while respecting the interests and needs of the society and competence and independence of the industries in matters delegated to them by the new legal directives, particularly the law on state enterprises. This requires a more rational arrangement of the central governing committees and commissions.

In practice this means that the central agencies will fulfill the functions of founders and overseers over the management of the enterprise sector. They will stand ready to answer questions and solve problems which the enterprises cannot handle by themselves. It will be their responsibility, among other things, to create a unified and comprehensive state plan which will express the strategic objectives of social and economic development, analyze the development of the economic mechanism and its systematic improvement, and provide guidance for the development of the economy, its dynamics, balance, and proportionality.

From this it follows that this new standing of the center will not mean a weakening of the center's directive role. Its substance and character, however, will change. In every economy, the center analyzes development, and assembles the latest data and information from which it can arrive at the macroeconomic conclusions essential for the operation of individual links of the economy. In the future, it will be necessary to direct and react flexibly to the changing internal and external economic conditions and coordinate the use of the instruments of planned management to secure the goals and intent of societal development.

Economic organizations—khozrazchet stage enterprises of all types, unified agricultural cooperatives, manufacturing, retail, and housing cooperatives, insurers and other organizations which are engaged in entrepreneurial activity (banks, savings institutions, stock companies, joint enterprises)—will be the direct recipients of the normatives, targets, and limitations of the state plan and will be subject directly to state and national committee budgets. They will function in accordance with established long-term directives which reflect the character of their societal mission.

Under the new economic conditions state enterprises and other organizations have the right to determine independently their production structure in the context of the undertaking specified in their charter. To ensure effective production, they may develop all types of research and development, planning, and commercial activities. The management directives will enable the enterprises to determine on their own the organization, methods, and instruments of their internal management. Each organization may exceed target limits as long as it fulfills its duties under the state plan.

Forming independent organizations directly subordinate to the center does not mean reducing the concentration of manufacture which is one of the significant factors in increasing the productivity and efficiency of labor. Concentration and mass production have been incorrectly associated exclusively with economic production units [VHJ]. The concern, however, is that this concentration be useful, that it not have an administrative character, and that it does not create a socially detrimental monopoly. The new laws, therefore, have created an area for voluntarily pooling of resources and activities with the aim of effective fulfillment of assignments without

regard to loyalty to specialty, branch, or territory. These organizational forms are not intractably set and their participants will be able to choose according to their common needs.

GERMAN DEMOCRATIC REPUBLIC

FRG Daily Reports on State of Maritime Shipping Industry

23000055 Frankfurt/Main FRANKFURTER
ALLGEMEINE in German 6 Dec 88 p 18

[Article by 'Ke': "The GDR Merchant Fleet is to be Further Modernized; Since 1985, 15 Container Ships have been Built; Declines in Inland Waterway Shipping Causing Concern;" a shortened version of this article appeared in the FBIS East Europe Daily Report of 7 December 88 entitled: "Further Modernization of Commercial Fleet Planned"]

[Text] VE Kombinat Seeverkehr und Hafenwirtschaft, Deutfracht/Seereederei, Rostock—The favorable business trend in almost all western industrial countries, and the end of the Gulf war have meanwhile revived the international freight markets. A light market revival in the second half of the year is perceived also by the GDR's state-owned shipping and port management, responsible not only for what happens in the three Baltic ports of Rostock, Wismar, and Stralsund, but also for the entire GDR merchant fleet made up of 171 ships with a total tonnage of approximately 1.8 million. The directors heading the combine are looking ahead with cautious optimism. "At least for the near future we expect small growth rates again in merchant shipping," comments the Combine spokesman, Gerd Peters.

In spite of such more pleasant prospects for maritime shipping, the years of expansion are, at least temporarily, evidently past for the GDR's merchant fleet also. After starting in 1952 the rebuilding its own fleet with one ship, it got 195 ships in 1979 with a total tonnage of 1.94 million, its largest scope. Then, in line with the world situation, freight markets contracted noticeably everywhere. In view of the structure of the fleet at the time—it had almost exclusively normal piece goods and bulk freighters—that process would probably have been still more drastic under any nongovernmental management. Since 1986, the size of the fleet has stayed around 1.8 million tons again. That is supposed to remain so in the years to come, according to Peters.

Even so, those who manage the combine are planning considerable investments all the same. They want to rejuvenate and modernize the merchant fleet further, valued at M 4.5 billion at this time. As the GDR wants to further expand its line services in ocean-going traffic, attract more business to its ports thereby, and obtain better freight rates in transports for third parties, it must convert even more its tonnage to a high-grade commodity cargo.

Principally, old ships are to be replaced by modern full container ships. So they want to carry on the building of a competitive container fleet, started late, only in 1985—15 of their total of 26 container ships were put into service between 1985 and 1988. And the development of Rostock harbor, the largest of the three GDR sea ports, also continues. Even though in the last 2 years it got a modern container terminal and a modern grain unloading installations, much still remains to be done there.

The state maritime management, incidentally, sternly turns down the reproach raised time and again against the merchant fleets of the East Bloc, that they corrupt the competition on the freight markets by dumping prices. Immediately they point out that more than half of the cargo of the GDR fleet is shipped through line services. Being, of course, a member of all large shipping conventions, freight rates were stable. Finally, the fleet, probably carrying again, as in the last year, more than 13 million tons in 1988, transported 58 percent of the goods within the scope of its own foreign trade. Transports for third parties exceeding that, making up approximately 5.7 of a total of 13.1 million tons in 1987, presumably get proper economic rates. They do not say then, though, that the need for foreign exchange also constitutes an economic factor in their computations.

Then there is still another problem of some concern to the combine management. Of all ports it turns out to be Rostock harbor which still is purely a railroad harbor. Approximately 90 percent of incoming cargo must be transshipped by rail. "We could, for instance, transship in Rostock more goods for Austria, Hungary, or the CSSR, if the railroad transport capacities were not so very limited or if we had an internal waterway link with a functional internal navigation," Peters explains. They are all agreed in Rostock this deficiency must be done away with for good. And yet they evidently are having a hard time reviving inland waterway shipping, which was virtually wiped out in the past. The three Baltic ports handled a total cargo of approximately 24.8 million tons in 1987 (19.8 tons of which in Rostock); it is expected to increase to 25.8 tons this year. The Rostock Combine employs 24,500 people, 8,500 of them sailors.

POLAND

Mining Reform: Will There Be More Than Change of Name?

26000215 Warsaw PRZEGLAD TYGODNIOWY
in Polish No 47, 20 Nov 88 p 5

[Article by Tadeusz Biedzki: "Coal in the Structure: Mining Subsidies Are Absorbed by the Cost of Transportation"]

[Text] One thing is certain: the plaques on the buildings of certain mine corporations will be changed. On the bulletin boards the word "Corporation" will be replaced with "Enterprise."

Andrzej Zajac, director of the Main Office of the Black Coal Community, is of the opinion, however, that the change is not confined to new plaques. He believes that this is the first, cautious but definite, step toward reforming mining.

The earlier changes were, as is long known, attempts to avoid the reform. Thus, transforming the mine associations to mine unions and subsequently to mine corporations was of a purely formal nature. The structure, methods of directing, and operating procedures of the associations, unions, and corporations were as alike as twins.

One of the directors of the Black Coal Community who asked to remain anonymous declared that the term "gwarectwo" [corporation] was devised to show and emphasize that mines are unlike the "triple-S" [autonomous, self-governing, self-financing] enterprises, so that no one would dream of introducing autonomy, self-government, and self-financing at mines. The model whose abandonment was not contemplated was the command-centralized system of management which, "having been applied for so many years, has proved itself and demonstrated its suitability."

Now that the mines are to call themselves "enterprises," this is like crossing the Rubicon of the reform; it is the first signal that mining intends to accept the guidelines binding on the other subsectors.

Such is the opinion of many high-level executives of the Black Coal Community. They now produce the impression that they believe in the necessity of changes in the coal industry. But is this belief genuine or only a mask put on at a difficult moment with the hope that it can be removed later, after the "storm and stress" period is over? We shall know within the next few months.

The First Step

What has been changed by the decisions already taken?

The first and most spectacular decision was to disband the mine corporations. It sounds revolutionary, but actually the related changes are largely of a cosmetic nature.

Seven existing mine corporations, each associating a number of mines, will be revamped as of 1 January 1989 into five coal enterprises: "Wschod" [East] in Sosnowiec, "Polnoc" [North] in Katowice, "Zachod" [West] in Zabrze, "Poludnie" [South] in Jastrzebie, and "Lower Silesia" in Walbrzych. This means that the number of mines per enterprise will be greater than per corporation.

Supporters of this change claim that, in view of the large number of mines in each enterprise, the management of the enterprise will not, unlike the management of the corporation, busy itself with trivial details, owing to lack of time. Thus, the enterprise management will attend to

strategic problems. This is of course possible, and it would be good if that were so. But another alternative is equally possible and, who knows, more likely: being habituated to rule—since the managerial personnel would be the same—the enterprise management will want to rebuild their empires so that soon employment at the enterprise would be the same as, or even higher than, at the corporation. There are no built-in safeguards against such a reversion.

A positive change, on the other hand, is that the enterprise will not attend to social welfare, technical progress, innovations, and occupational training. This is a valid decision, because the corporations were wasting time and money, e.g., keeping statistics on the number of miners undergoing safety and hygiene retraining or taking plant-paid vacations, and trying to enforce uniform prices of vacations at vacation homes maintained by individual mines. But it was an exaggeration when a deputy director general of the Coal Community stated that this is of fundamental importance to changing the system of management in mining. Let us say that this is of marginal importance.

Another change in the right direction is affording the possibility of forming worker councils at mines. However, these councils will operate in face of extraction targets, prices, and customers imposed from the top. What then will their decisionmaking powers be?

Renaming the Sand Quarries and Railroad Mine Transport Corporation into the Floor Materials Enterprise is merely changing the plaque, nothing else. The merger of the POLMAG Corporation for Mechanizing Polish Mining with the POLMAG-EMAG Mining Automation Corporation is simply a merger, without any reforms.

On the other hand, the merger of the Coal Marketing Board with the WEGLOKOKS Foreign Trade Agency is more significant. As a result, all extracted coal will be at the disposal of a single agency which should decide what to do with it—assign it for export or keep it in this country. For the time being, this will be only a formal possibility, but it can be realized on condition that the export-import market is brought into order and the exchange rates of the dollar and the zloty are made realistic (given the current rates it would pay to export all coal).

The final effect of all these changes will be the transformation of 11 corporations into eight enterprises, the elimination of managerial personnel at five auxiliary plants, and trimming the numbers of administrative personnel by 950.

Distorted Cost of Extraction

The first step has been taken. It can be said that mining has discarded the carapace which protected it from the reform. But this fact in itself still means little. Everything

now depends on whether there will be further changes, on whether this entire operation reduces to a name game or whether additional steps will be taken.

There is no doubt that the next step should be a reform of the economic and financial system of the extractive industry. This is a prerequisite for a further and more significant restructuring of management. Because the structure of management is a derivative of the economic-financial system, and not vice versa.

The primary change should be to relax the rigid extraction plans and rigid prices. Miners complain, not without reason, that, while they are expected to reform and accused of operating unprofitably, at the same time they have to meet extraction levels and prices imposed from the top. If a mining enterprise is to reform itself, and hence also to gain autonomy, self-government, and stand on its own feet financially, it should not be required to meet an extraction level imposed from the top.

Herein lies an obstacle which has for years been regarded by both the authorities and the heads of the mining ministry as insurmountable. The point is that the current annual extraction level of 193 million tons of coal is imposed from the top. It is obvious that if the mining industry is enabled to plan its own level of extraction, that quantity would decline to 170 or perhaps 160 million tons annually, as proved in 1981 when the mines planned their own extraction.

Well, it is said that a prescription for surmounting this obstacle has recently been devised. Its authorship is ascribed to Minister Wilczek, who apparently thinks it possible to import crude petroleum in return for coal exports and thus to slowly change the fuel-and-energy structure in this country.

This is the first positive factor serving to restructure the economic-financial system. The second is linked to the abnormal structure of the coal extraction cost. It is deformed by certain extraneous elements of that cost, such as transportation (e.g., from Silesia to Gdansk).

Transporting coal is a major element of extraction cost. At the beginning of this year it absorbed the entirety of the subsidies to black coal mining. In other words, without the transportation cost the expenditures and revenues of the coal industry would be balanced and that industry would not be a burden on the economy.

There also exist other cost elements, which are not being mentioned. For example, the mines engage in prolix social welfare activities. Each mine operates its own vacation home, its own skiing excursions, etc. Clearly, this is to benefit the employees. But how much does it cost? For example, the Szombierki Mine administers nearly one-half of all residential buildings in the Szombierki borough of Bytom—more than quite a few large housing cooperatives. The cost of such activities is ultimately included in the extraction cost of coal.

A different solution has to be explored: cooperatives for housing construction and repair should be established and shareholding companies operating vacation homes should be formed (with some shares to be held by the mines so as to reserve places in these homes for their employees), etc. In a word, the cost of coal extraction should be purged of elements which have nothing in common with extraction. These matters also should be part of the work on the new economic-financial system.

No Changes at the Mine?

Director Puszczewicz, deputy director general of the Coal Community, said that the new system should be readied within 1 to 1 and 1/2 years. It should result in complete financial autonomy of the Community. In a subsequent stage the currently arising enterprises also would gain operating and financial autonomy. This would be linked to further changes in the structure of management, resulting in greater autonomy and practical utilization of the as yet formal rights.

However, mines are not expected to gain complete operating and financial economy. The heads of the Coal Community claim that mines should be plants rather than autonomous enterprises. Director Zajac said that this is so throughout the world, including the countries to which we like to refer—Great Britain and the FRG.

The arguments against complete autonomy of the mines are: operating safety, rational utilization of coal seams, and geological differences resulting in differentiated cost of extraction.

But as for the economic arguments against that autonomy, they are more dubious. True, operating conditions at discrete mines differ and therefore their extraction cost differs. True, the operation of old mines is more difficult than that of new ones. True also, finally, the workforces should not be responsible for geology and history, and should not bear the consequences.

The reverse side of the coin is that the coal from certain mines with difficult extraction conditions is extremely valuable and that is why it is being extracted at all. For example, coal from the "Gliwice" Mine, where miners have to work on their knees and where the extraction cost per ton is about 40,000 zlotys, is indispensable for coke mixtures and would probably be sold at any price.

Extraction from certain seams is so energy and materials intensive as to be unprofitable. Closing such seams in a situation in which plans would be no longer imposed from the top would be economically the most sound solution. The fate of the miners should not be a worry: they can always find work in other mines, because there is a continuing shortage of skilled miners.

Relatively unconvincing is the claim that, if autonomous, mines would develop the easier seams and leave the more difficult seams for later, thus "cutting the

throat" of mines. It is hardly likely that the management of any mine, once it bears full responsibility for its decisions, would take such a step. After all, in theory, any factory can proceed likewise, but in reality it does not do so.

It seems therefore that reform in mining need not stop with the enterprise level but can descend to the mine level. This would of course mean the shutdown of multiplant enterprises, which represent only an interim creation facilitating access to a new solution. This would clearly have to be a deliberate and cautious process. The issue concerns energy, that is, the basis of the functioning of the economy. Mistakes may be costly or even lead to dramatic consequences.

But this does not mean that we should proceed slowly. Slowness in a situation in which it already is 5 minutes past 12 may in general be counterproductive and result in obstructing the reforms.

I believe that reforming the mining industry, which in my opinion should extend to the mines themselves, should be accomplished within a maximum of 2 years.

But Will It Happen?

The first step has already been taken. The plaques will be changed. If these changes are followed by others, such as are required by a reforming economy, success can be expected. If, however, these are the only changes, the only result will be changing the plaques.

Finnish Capital Possibilities in Polish Industry, Market Described

26000183 Warsaw ZYCIE WARSZAWY in Polish
25 Oct 88 pp 1, 2

[Interview with Bozena Darda, spokesperson and director, foreign enterprise, for "Finntex," by Krzysztof Ple-sinski: "In Finland We Are Not Well Known;" place and date not given]

[Text] [ZYCIE WARSZAWY] Is "Finntex" indeed the only company to be entirely funded by Finnish capital in our country?

[Darda] Yes, and probably the only one to be thus entirely funded in any CEMA country. However, several joint-stock companies partially funded to a greater or smaller extent by Finnish capital also operate in this country, though only in the initial stage of their development.

[ZYCIE WARSZAWY] You said before that in Finland we are not well known. What does this mean?

[Darda] I meant to say that Finns know Poland only as a place for tourist excursions, mostly very brief ones besides. Thus in practice they know nothing about the economic aspects of our country, as I have learned from

my own contacts with Finnish industrialists; more exactly, they have no idea about our attitude toward their eventual cooperation in capital and in manufacturing. In most cases they are totally ignorant of the fact that regulations permitting the formation of partnerships with foreign capital exist in Poland for more than 2 years now, not to mention their unfamiliarity with the details of our Decree on Economic Activity With the Participation of Foreign Capital.

[ZYCIE WARSZAWY] I suppose that in this connection they are not either particularly interested in contacts other than noncommercial ones with our enterprises. Do you think therefore that, as planned in cooperation with the Finnish periodical KAUPPALEHTI, the publication of a special insert by ZYCIE WARSZAWY presenting our economic possibilities and offers for capital cooperation would stimulate greater interest in Poland among Finns?

[Darda] Certainly yes. I believe that if Polish enterprises have indeed something interesting to offer, they can expect Finnish entrepreneurs to at least investigate it. After all, as known, the Finns are open in their economic contacts with the socialist countries. The best proof may be provided by the cooperation of Finland with the Soviet Union, which includes not only traditional trade but also a fairly intensive development of coproduction and the establishment of joint ventures; moreover, both these countries try to cooperate in third-country markets. Why should not it be possible too with respect to Polish-Finnish economic contacts? But our proposals must be correspondingly attractive—and so should be the regulations governing cooperation of this kind.

[ZYCIE WARSZAWY] In a word, Polish enterprises have a chance to find Finnish partners for capital and production cooperation?

[Darda] Poland is, next to the USSR, Finland's nearest neighbor among the socialist countries. It has a sufficiently large and moreover incompletely utilized economic potential. If therefore we advertise to a sufficient extent on the Finnish market, such chances will surely be translated into reality. After all, even now, as I already mentioned, certain attempts are being made to establish in our country companies with the participation of Finnish capital.

[ZYCIE WARSZAWY] And how is "Finntex" doing in Poland? Does this company provide an encouraging example to Finnish investors?

[Darda] It should be considered that for the time being we are operating in conditions totally different from those under which eventual joint ventures are to operate. Although in the case of "Finntex" it is Finland that has provided 100 percent of the capital and the owner, Mr

Kynsilehto Jussi, is a native Finn, we are classified in the category of what is colloquially termed Polonia enterprises or more exactly foreign enterprises of the small industry.

Our experience therefore would not fully correspond to the expectations of the Finnish entrepreneurs who might be invited to participate in joint ventures. And how are we doing? Like all the enterprises of this type operating in Poland. That is, now better and now worse, and we have experienced equally the same difficulties and problems as all these other enterprises. But we are coping, and the owner appears to be satisfied with his investment in Poland, because we have been continuously operating for more than 8 years now, that is, since May 1980.

[ZYCIE WARSZAWY] Could you tell me more about "Finntex"? What is the nature of its operations, and what is its size?

[Darda] Our principal product is heavy, insulated sports clothing. We manufacture most of it for export and, in this case, generally from materials provided by customers. Our annual output is 76,000 items of such clothing, of which we sell three-fourths abroad. The remainder goes to the domestic market and is not at all of lower quality considering that in our manufacturing we use a great deal of imported materials. Right now we are awaiting a new shipment from Finland, whose import is, incidentally, duty-free on the basis of intergovernmental agreements. In a word, we are not complaining about this aspect of our work, because our exports are profitable and enable our 225 employees to be paid not badly.

[ZYCIE WARSZAWY] Where are your products exported?

[Darda] Chiefly to the FRG market, and also to Denmark. But, oddly enough, we sell little to Finland. This does not mean, however, that we are unknown in that country.

[ZYCIE WARSZAWY] Meaning that Polish enterprises are unknown in Finland but "Finntex" itself is known there?

[Darda] Yes. This is due to Finnish television which taped an hour's program at our factory and broadcast it in prime time to Finland. We were presented as exemplifying the possibility of successful investment in Poland. Thus this program was a major surprise to the Finns. They also know of us through the person of the company's owner and his daughter, who are quite well known in Finland. He used to be a popular sports car racer (among other things, he raced in a Polish Fiat team), and his daughter represents her country in horse riding contests.

[ZYCIE WARSZAWY] So the Finns are aware that their compatriot has achieved economic success in Poland, and now they are learning that a former private entrepreneur, Mr Mieczyslaw Wilczek, has been appointed minister of industry. Can these two facts be combined? And can this be of importance to increasing interest in our country as an eventual investing locale?

[Darda] From what I have heard this appointment was received with great and favorable interest. Thus it may be that the example provided by our company and that spectacular acknowledgment of private enterprise in the form of the assignment of considerable economic power to a person who was himself a private entrepreneur shall provide some encouragement to the Finns. However, Polish enterprises must be themselves enterprising in looking for Finnish partners, and provide sufficient encouragement, because not even the best minister of state can do it himself.

ROMANIA

Romanian Products at Bucharest International Fair Described

27000019 Bucharest REVISTA ECONOMICA
in Romanian 14 Oct 88 pp 12-13

[Article by Al. George: "Romanian Industry—a Prestigious Participant in the 1988 Bucharest International Fair"]

[Text] On Wednesday, 12 October, Comrade Nicolae Ceausescu, the president of the Socialist Republic of Romania, opened the 14th edition of the Bucharest International Fair [TIB], set up in the exposition complex in Piata Scintei on 12-22 October of this year.

In addition to the host country, which was represented at the 1988 TIB by over 700 industrial centrals, research institutes, and production and foreign trade enterprises, over 550 firms from 45 other countries were present, with joint participation—a national pavilion—or individual participation.

In view of its general character, the Bucharest International Fair brings together producers of material goods and services (engineering, patents, computing, business, etc.) from nearly all fields of the economy. Hence too, its very wide attraction for firms on all continents, since more and more countries are added yearly to the traditional participants. In keeping with the proportion of about two-thirds that machines, equipment, means of transportation, chemical products, and industrial consumer goods have in the total volume of Romanian exports, these sectors also had an overwhelming proportion at the TIB.

As usual, in central pavilion A, on the ground floor, the two vital subbranches of the machine-building industry were exhibited: the machine-tool industry and electronics, with its various applied fields in the economy. The

Masineexportimport foreign trade enterprise [ICE], a specialized firm, well known and unanimously respected on an international level, presented at its stands the products of 50 big and modern enterprises that build industrial equipment, sets, and machine tools in Romania.

On this occasion of the Bucharest International Fair, the exhibits also constituted graphic proof of the Romanian machine-tool-building industry's development and modernization, of its high technicality in keeping with the newest advances in science and technology. The enterprises that produce machine-tools are supplied with equipment and technologies representing the newest advances in specialized world science and technology.

The production program of these enterprises, also presented in detail at the 1988 TIB, includes specialized machine tools, transfer lines and sets, automatic production and assembly lines, slide lathes and vertical lathes, end cutters and portal cutters, machines for boring and grinding on coordinates, etc.

The export supply of the Bucharest Masineexportimport ICE is structured according to the following groups of products made by the Romanian machine-tool-building industry:

- Machine tools for metalworking by cutting (complex lines, individual machines, subassemblies, parts, and accessories);
- Machine tools for metalworking by unconventional procedures (electroerosion, ultrasound, lasers, etc.);
- Machine tools for metalworking by deformation (complex installations and machines, subassemblies parts, and accessories);
- Cutting tools and molds for pressing and forging, and mechanical and pneumatic handtools;
- Complex installations and machines, sets, and equipment (as well as accessories and parts for them) for all branches of light industry: the textile industry (for processing wool, cotton, silk, hemp, flax, and synthetic fibers); the garment and knitwear industry; the footwear, leather goods, and fancy leather goods industry; the glass and fine-ceramics industry; etc.;
- Metal durable consumer goods, gas or electric stoves and heaters, glazed vessels, mechanical toys, and various metal accessories and products.

In addition to the above, the Masineexportimport ICE has the technical capacity to contract for and deliver to foreign partners machine-tool sets, complex processing lines, and assembly lines, providing on a contractual basis technical assistance and service in the production-organizing period and in the guarantee period and the period for attaining the projected parameters, technical documentation and spare parts, schooling for specialized and operational personnel, etc. At the same time, the firm offers to foreign partners, within the framework of cooperation contracts, Romanian licenses and patents in

the field of machine-tool and industrial-set building and technical documentation for brands, and organizes studies and projects for modernization and development, engineering services, etc.

Our business partners abroad appreciate highly the fact that the machine tools and industrial equipment exported by Masineexportimport are made at the highest level of world technology, with a high degree of automation, and the technical characteristics, the characteristics of productivity and functionality, and the characteristics of precision, quality, and reliability are competitive with similar products made by the most prestigious, specialized world known firms, a matter also brought out during the first contacts with business partners from many countries at the current Bucharest International Fair.

As proof of the high esteem that the Romanian machine-tool-building industry possesses on a world level, we mention that many industrial sets, pieces of equipment, and machine tools as well as complex plants provided by Masineexportimport are operating with very good results in over 80 states of the world on 5 continents. Among these states with which we have fruitful economic cooperation are Bulgaria, Czechoslovakia, the People's Republic of China, the Democratic People's Republic of Korea, Colombia, Cuba, Ecuador, Egypt, Switzerland, Finland, France, the GDR, the FRG, Greece, India, Jordan, Iraq, Iran, Italy, Yugoslavia, Mongolia, Holland, Poland, Spain, the United States of America, Sudan, Sweden, Hungary, the Soviet Union, Venezuela, etc.

Among the peak products of Romanian electronics offered by the Electronum foreign trade enterprise we note:

- Video terminals, used to access data or to enter data into the computer, with the display being on the screen of a cathode ray tube: the DAF 2015, compatible with the VT 52; the DAF 2010R, compatible with the IBM 3275; the DAF 2020, compatible with the VT 100 (in an alphanumeric mode) and the TEK 4010 (in a graphics mode); and the DAF 2020 Color, compatible with the TEK 4010;
- Equipment for data collection and preparation, used to collect data on a magnetic medium or in an electronic memory for processing in a big computer or to process smaller amounts of data: the TPD microcomputer, with an operating system compatible with CP/M [control program for microcomputers]; the 5 x TPD - EPD system for data collection on magnetic tape; the Junior microcomputer, with an operating system compatible with CP/M; and the TPCD-2 portable terminal for data collection;
- Graphics equipment, used for the graphic processing of information or for the extraction of it from a computer in graphic form (diagrams, designs): the Diagram 2030 Color interactive system; the MD 10 plane plotter with format A3; and the ICT 800 drum

plotter (a paper width of 800 cm and length of 25 meters);

- Peripheral equipment, used for the external storage of data regardless of duration or for communication in human language with a computer: UDF 100 floppy disk units (20 cm in diameter); UBM TC 100 magnetic tape units with continuous transfer; serial dot-matrix printers (the ISM 150—alphanumeric; the IGRAF—graphic; and the KSR—with a keyboard); keyboards; and joysticks.

Staying in the field of peak technology, we should mention the participation of the IPA (Scientific Research and Technological Engineering Institute for Automation), which, through Electronum, offers the following services and activities to interested partners: engineering (consulting, studies, technical offers, and turnkey deliveries through the Industrial Central for Automation Equipment (CIEA)); design (automation of technological installations, sets, and equipment in the chemical and petrochemical industry, refineries, ferrous metallurgy, metallurgy, district heating and electric power stations, machine building, the mining industry, the food industry, water supplies, irrigation, etc.); process computer systems and computer-aided-design systems and programs (in the last period, the IPA developed the Multiprom typified system with microprocessors for automation equipment, put into manufacture at the IPA and in the CIEA's enterprises); research for developing new products (automation elements, equipment, and systems, adjustable electric drives, numerical controls for machine tools and industrial robots, process computers, remote data processing, equipment and systems for automatic testing, remote-control equipment, programmable automations, medical apparatus, meteorological apparatus, etc.); other services (preparation of Software applications programs, technical assistance in assembly and startup, schooling for operational personnel, and execution and delivery of one-of-a-kind items and of small series).

At the 1988 TIB, the IPA presented, together with the CIEA, the following: systems for operation by computer, dedicated microcomputers, numerical-control equipment for machine tools and robots, equipment for automatic testing, equipment for remote data processing, medical apparatus, meteorological apparatus, and transducers.

At the 1988 TIB, products of inorganic and organic chemistry, traditionally offered for exportation, were displayed at the stands of the Romanian chemical and petrochemical industry, such as the following, in the order of their presentation: soda ash, caustic soda, various salts of sodium, potassium, and barium, alcohols, phenols, amines, and other products that make advanced use of domestic resources. Also at this stand were pesticides—a group of highly effective products—whose active substances help to intensify agriculture and to combat big losses in agricultural production by protecting plants from pests, weeds, and phytopathogenic agents.

The most representative petrochemical products that bring out the development of this branch based on the advanced chemicalization of methane gas and hydrocarbons resulting from the complete processing of crude oil were displayed next. The Carom (R) synthetic rubbers stand out, of which we note the original Romanian products: polyisoprene rubber and ethylene-propylene-diene rubber. In addition, the following were presented: types of carbon black, a chief raw material in the rubber-processing industry; and polymers and plastics from which come the Romanian-made products Ropol (R) and Argetena (R) (polyethylene), Rosevil (R) and Oltvil (R) (polyvinyl chloride [PVC]), and Argeter (R) (polystyrene). We also found some new items there, such as: Argetena AS (amyl sodium polyethylene for the power industry), Argeter (R) (PAS 1 and PAS 4 anti-shock polystyrene), semiconducting polyethylene, ethylene-vinyl acetate linear copolymer, and special polymers through whose processing components with a high technical performance in the machine-building and electrotechnical industry are obtained. Known as a big exporter of chemical fertilizer, Romania displayed at this fair a number of varieties, such as: urea, ammonium nitrate, nitrolimes, superphosphates, and NPK [nitrogen-phosphorus-potassium] compound fertilizers, which are highly regarded.

Owing to their quality and their competitiveness on an international level, products in a low tonnage and with a high degree of processing—lacquers, paints, primers, enamels, dyes, and others—are a constant presence in the Romanian export supply.

Industrial applications of new assortments of dyes on fabrics, leather, and metal were presented: Terocel M, for dyeing polyester fibers mixed with cotton; Melacril 5K, for dyeing acrylic fibers; Solcorom, for leather; and flat enamels—white, red, and black—for covering metal surfaces.

As at the other occasions of the fair, the drug industry, which is well known abroad for the spectacular achievements obtained and which provides a list of products corresponding to the requirements of modern therapeutics, was present.

The new items presented this year were: Brofimen, indicated for bronchitides, bronchial asthma, and chronic obstructive bronchopneumopathies; Glaucina, with a central antitussive action, longer lasting than codeine, and with a slight sedative, analgesic, and hypotensive effect; Pirivin, a neurotonic used in the treatment of memory and attention disorders and of states of asthenia; Golgast, an original Romanian product based on a collagen hydrolysate with an antiulcer action; Panzcebil, a complex of pancreatic enzymes, indicated for chronic pancreatitis, chronic enteritis, fermentative dyspepsia, and meteorism; and Doxepin, utilized for states of endogenous neurotic depression, states of involution, manic depressive psychosis, and somatic ailments accompanied by anxiety.

Trying to satisfy the most refined tastes, the cosmetic and perfume products of the three cosmetics enterprises, Miraj in Bucharest, Farmec in Cluj-Napoca, and Nivea in Brasov, stand out through their variety and quality. Tastefully and skillfully displayed, a number of new items attracted attention, such as: children's shampoo based on surface-active agents with a mild washing action, offered in toy-shaped bottles; an Egreta makeup case; Oana toilet perfume; distinguished assortments in the Gerovital (formula 2) series (makeup-removing lotion, makeup-removing cream, face pack, and tonic lotion); the series of Gerovital cosmetics for men; Top-Super, Top-Extra, and Special boxes that contain products for men (toilet water and aftershave lotion), in an elegant display; odorants for rooms; and Primavara underwear.

One stand displaying a wide assortment was that devoted to chemical fibers and threads, synthetic and artificial, respectively. Their characteristics specific to many fields of utilization and their high quality have made it possible to offer for exportation a variety of products known on the international market, products registered under names such as Melana (R), Relon (R), Dunatex (R), Dunacor (R), and others. Of the new assortments presented at this edition of the fair we mention: Melana acrylic fiber with 2-percent shrinkage, for making synthetic furs; Relon carpet-type polyamide fiber; polyamide carpet yarn for making Oltoit moquettes; twisted polyester textile yarns, dyed in eight colors; technical polyester yarns, white and dyed in bulk for thread for footwear; and twisted polyester yarns for fancy trimmings and leather goods.

The stand for paper, cardboard, and articles made from them, which are offered for exportation in a varied range of assortments, was also fully represented. As new items, the following stand out: absorbant paper, veneered and unveneered, for rigid lamination; siliconized paper for lamination and PVC-type substitutes for leather, thin paper for telephone cables; and corrugated paper backing for pressure-sensitive tape.

One well-represented stand of particular importance was that for plastic processing. In a varied range of assortments these products have penetrated into all fields of economic and social activity, proving to be practically indispensable. There we found a large number of new items that supplement the existing assortment range, namely: composite mixtures (polyamide with talc and fireproofed polyamide) used in the electrotechnical industry, new components for Dacia, Olcit, and ARO automobiles, filter elements for trucks and compressors, waterproofing sheets used in construction work, and coextruded sheets used in the packaging field, especially for food products. In addition to these things, one notes a number of consumer goods.

YUGOSLAVIA

Proposed Regulations on Banking Criticized 28000040 Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 7 Nov 88 p 11

[Article by V. Grlickov: "How Shall They Exert Force? Why the Proposed Minimum Requirement for Founding Banks Excludes Criteria of Operating Profitability. Internal Banks More Competitive than 'Real' Banks. How and Why Do You Turn Something Good into Something Bad?"]

[Text] Most of the "heavy weather" connected with the proposed Law on Banks and Other Financial Organizations has been provoked by the "secondary" regulation which would practically eliminate internal banks: one of the measures that would bring this about is a minimum requirement that a bank have start-up deposits equal to 0.02 percent of Yugoslavia's social production.

This is justified by the need to promote growth in the banking system by eliminating "dwarf" banks unable to provide major investments. An "ancillary" argument is also advanced: by eliminating banks it would be possible to rationalize the complex banking network and thus reduce management costs, which the economy pays through interest rates. Finally, the "crowning" argument: the administrative minimum requirement for setting up banks is said not to contradict the definition of a market-type bank. Such minimum requirements also exist in market economies inasmuch as the central banks must have some criterion by which to select banks.

Judging by the discussions of the subject, the proposal to set up banks in this way (as well) is unacceptable. It is wrong to introduce a duality into the system: to argue for independent, risk-taking, joint-stock-type banks and at the same time to introduce this type of minimum requirement. Independent banks presuppose an operating environment in which the criterion of success (or failure) is an economic one, i.e. income and operating profitability, liquidity, and security of deposits, which also entails the risk that the bank and depositors could lose their capital. On the other hand, an administrative minimum requirement does not take these qualitative elements into account because banks can appear successful on the basis of purely physical quantities, on the basis of the volume of deposits which they hold and which easily "can be transformed" as deposits. The decisive element in that case is to "preserve" existing relationships. Preference is given to physically large but economically unsuccessful enterprises, which, by the way, are the banks' largest debtors.

Of course that leaves the question of how the central bank, without a minimum requirement, is to select the banks with which to "establish" relations, in other words, approve setting them up. The criterion of operating profitability presupposes other requirements, among which the relationship between loans and capital

is the most important. It is that which establishes the relationship between credit multiplication—the potential volume of credit—and operating profitability. Or, more accurately, between credit multiplication and the ability to hive off and expand the bank's capital.

The question also arises of how to increase bank growth, because even "tiny" banks can meet the criterion of profitability. However, there are no insurmountable problems. Credit multiplication based on banks' profitability permits "growth" in a more natural and appropriate manner than does the minimum requirement. Banks with greater relative strength, i.e. those which are less risky, enjoy an advantage. Depositors will direct their deposits to those banks. That presupposes that those banks which are unable to achieve a certain level of profitability lose the right of credit multiplication. In such circumstances growth will come about through economic laws.

The call to eliminate internal banks is "justified" by the assertion that the function they fulfill belongs not to them but to the "real" banks, which presumably means existing basic and associated banks. Since internal banks are set up as part of existing composite and work organizations of associated labor, it may be supposed that future enterprises will not have the right to their own banks! Metod Rotar, the president of the Associated Bank of Ljubljana, makes an important point: there is no need for any kind of ban or restriction on setting up banks; enterprises and private individuals should not be prevented from setting up banks primarily on the basis of their own economic (short-term and long-term) and reproduction interests. Of course, in that case any kind of division like the current one into internal, basic, and associated banks is superfluous. All that is needed is to define very general rules for setting up banks. If necessary, the state too can participate as a founder, but only as an equal partner with the others who are founding the bank and making decisions, which of course presupposes that the state first gives up the direct credit functions which it exercises today in nonmarket conditions in the banking system.

The separation of banking functions from the functions of enterprises creates the problem of who will take the

place of the internal bank in tying financial developments together at the enterprise level? Who will enter into major arrangements with banks as "capital-gatherer"? In pure market conditions such a question would be totally superfluous because there is no need for special institutions at the enterprise level as a major guarantor to attract resources and capital. The stock and bond market markets play an irreplaceable role in rapidly and efficiently bringing together small-scale, scattered capital. For the present there are no concrete proposals for forming a financial market, despite statements that the problem is being worked on. For that reason caution is called for: the functions of the internal banks should not be completely eliminated overnight.

One usually finds that arguments for eliminating internal banks and banning their conversion into "real" banks come from—the existing "real" banks. They are devising ways to eliminate them as competitors on the financial market, competitors who today are able to offer better terms to savers and borrowers. Their logic is as follows: internal banks can compete because they carry the "seeds" of monopoly giving them an advantage from the very beginning, because they are not, like other banks, burdened by questionable and loss-making deals, they have fewer bad loans because up to now they have not been "hooked" by the influence of sociopolitical communities.

Of course the assertion about the internal banks as potential monopolists is correct but the solution offered is to eliminate what is good instead of considering how the "real" banks can prepare themselves to compete with the internal ones. For example, they ought to get rid of their questionable and loss-making deals in order to operate normally and set up proper business institutions, as Miodrag Prica, president of the JIK [Yugoslav Export and Credit] Bank, says. Another argument of the same type is the one that internal banks should be eliminated because today they are not "caught" in the coils of credit and monetary policy. In a word, they are privileged because they are not subject to credit and monetary regulations. For example, they do not maintain the obligatory reserve at the National Bank of Yugoslavia on cheap terms. The logic is to fit them into the existing system which "wrecks" banks, instead of changing the system in such a way as to make all banks competitive in the marketplace.

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